



Investor Deck | Q3/23 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 NOV 15th 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.

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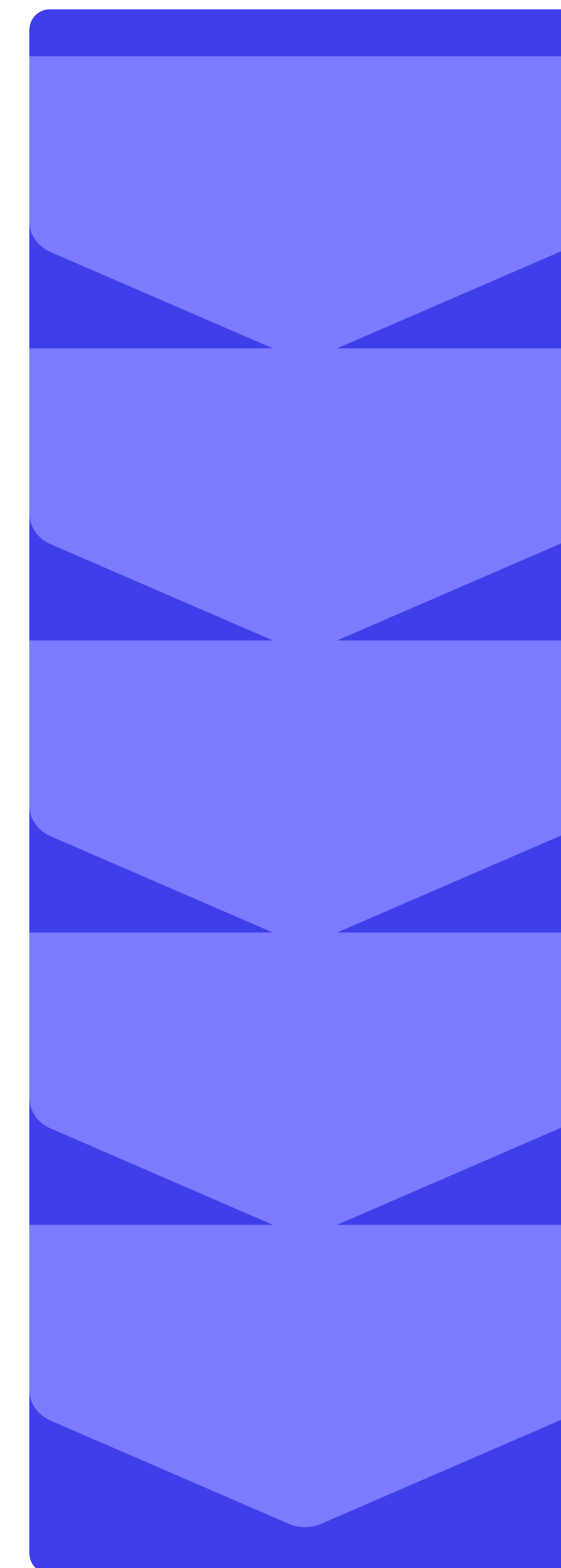
This presentation about Isracard Ltd. ("the Company") and its consolidated companies (jointly: "the Group") is intended to be concise for convenience and does not exhaust all the data about the Group and its operations nor does it replace the need to review the Company's 2022 and Q3/23 financial statements, as well as its current reports (jointly: "the Reports") and it should be read together with the Reports. The information included in this presentation may 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 manner in which the "Iron Swords" War develops, its nature, duration and its domestic and global implications, changes in the geopolitical situation, including the implications of domestic and global state, security and political conflicts, the progress of government and Knesset actions for changes in the legislation relating to the judicial system and their implications (should there be any), changes in the financing conditions and the effects and implications of all the or any part thereof on the Group as well by changes in other fields that are likely to have an effect on the Group's operations and the business environment in which it operates, which are not under the Group's control, which are likely to result in full or partial non eventuation of the assessments and/or changes in the Company's business plans and/or to their eventuation differently, even materially from those that were forecast and by the eventuation of all or some of the risk factors that characterize the Group's operations. The Company does not undertake to update or change any assessment or information as aforementioned so that they will reflect events or circumstances that occur after the date of preparing this presentation.





Q3/2023 Isracard Maintains the Growth Trend

Q3.2023

Pre-tax earnings

ILS 107M

ILS 91M Q3/22

Net earnings

ILS 80M

ILS 60M Q3/22

Net earnings return on equity

10.9%

8.7% Q3/22

1-9.2023

Pre-tax earnings

ILS 271M

ILS 215M 1-9.2022

Net earnings

ILS 201M

ILS 142M 1-9.2022

Net earnings return on equity

9.3%

6.8% 1-9.2022

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

Growth in the credit portfolio

Transaction turnovers in credit cards issued by the Group

Q3.2023

Private Customers Sector

ILS 168M

+58%

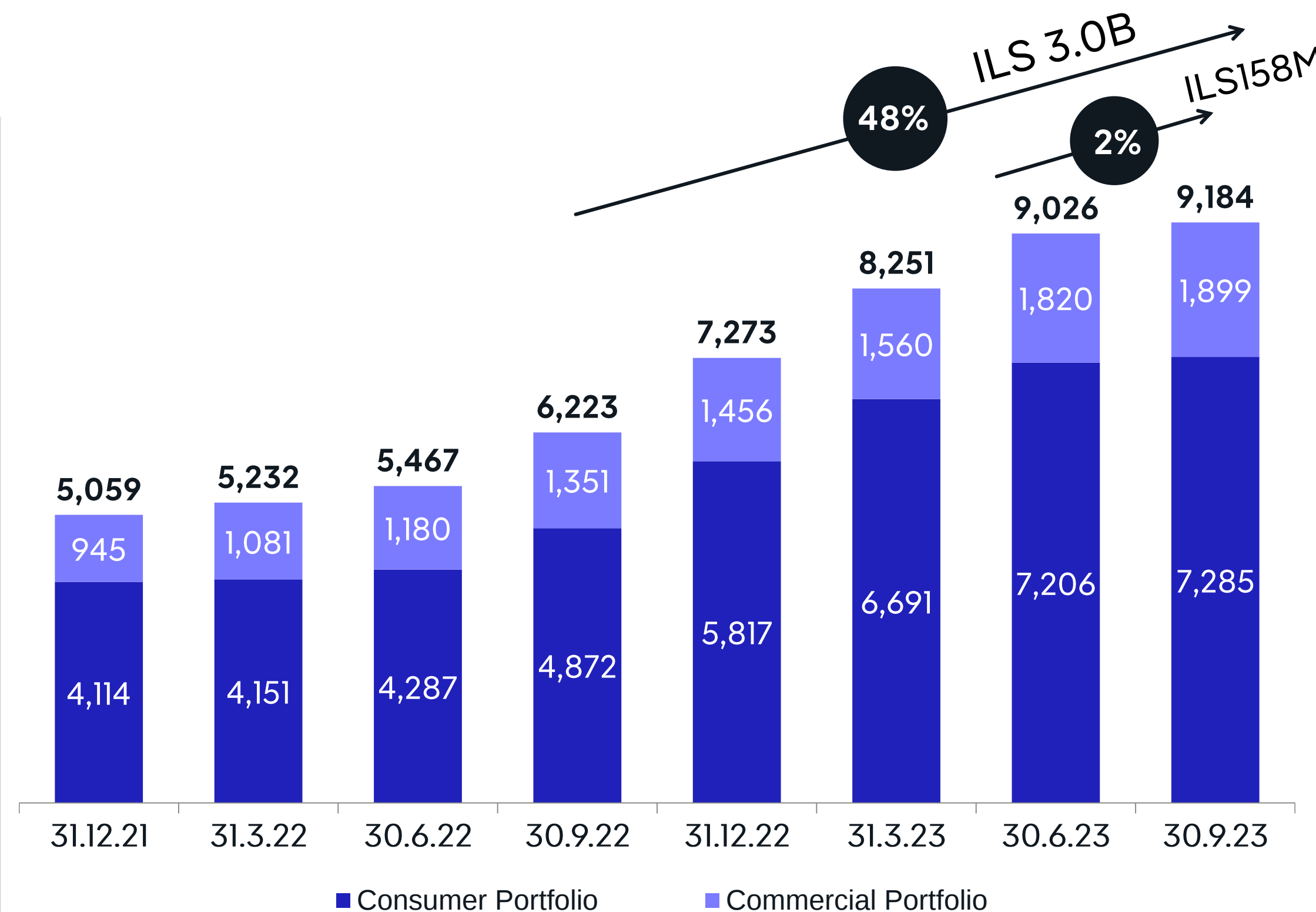
Growth from the corresponding previous period

Business Customers Sector

ILS 76M

+81%

Growth from the corresponding previous period



Q3.2023

ILS 57.9B

+5.0%

Growth from the corresponding previous period

Dividend to Shareholders

ILS 42.3M

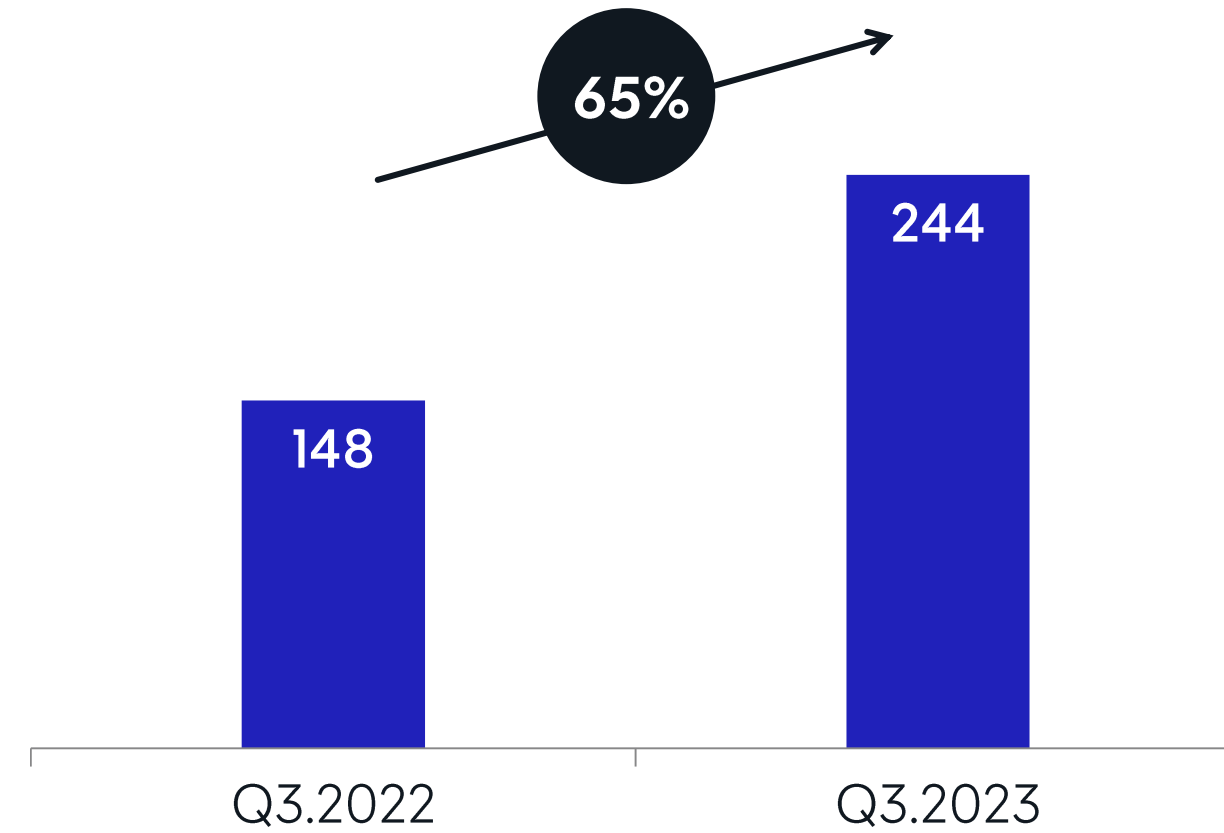
Dividend distributed in Q3.2023



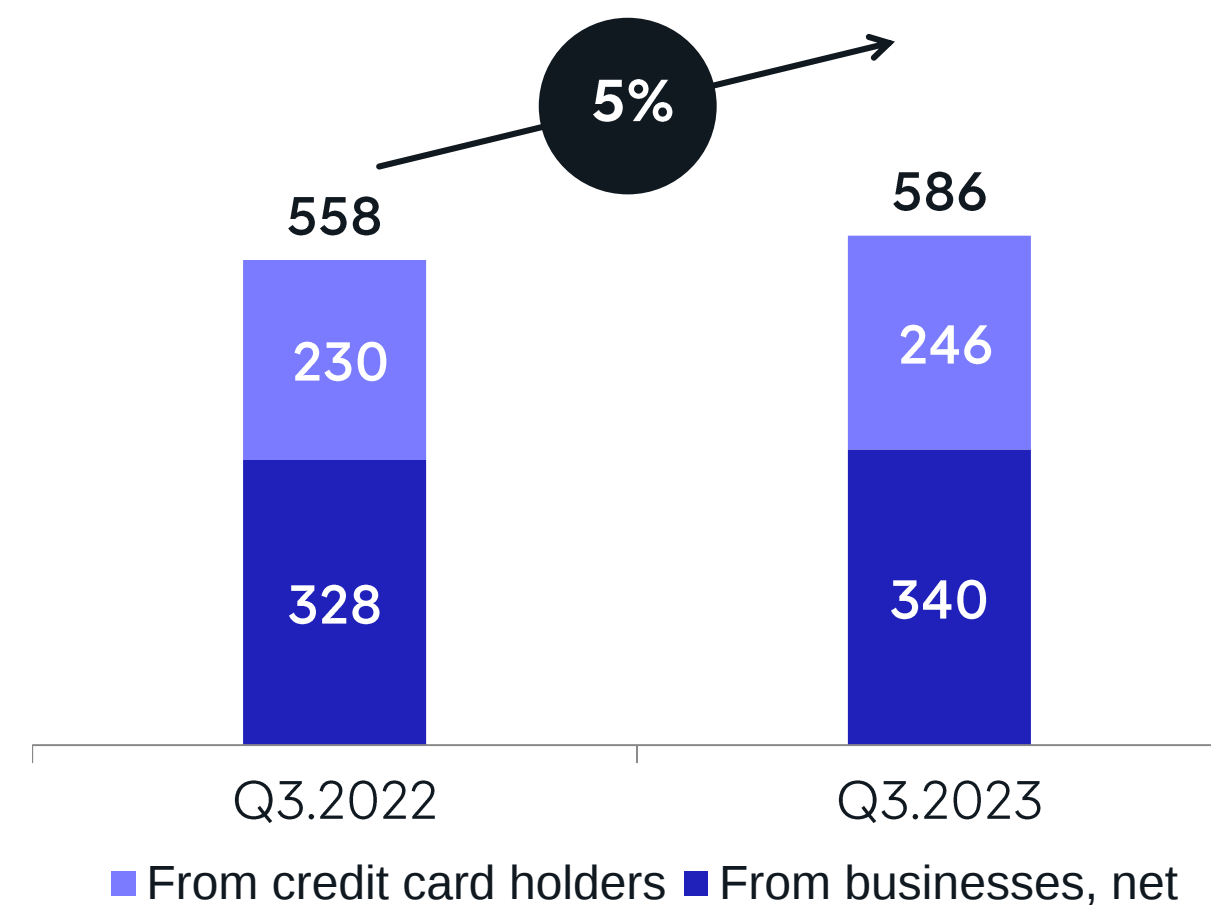
Key Financial Data

(ILS millions)

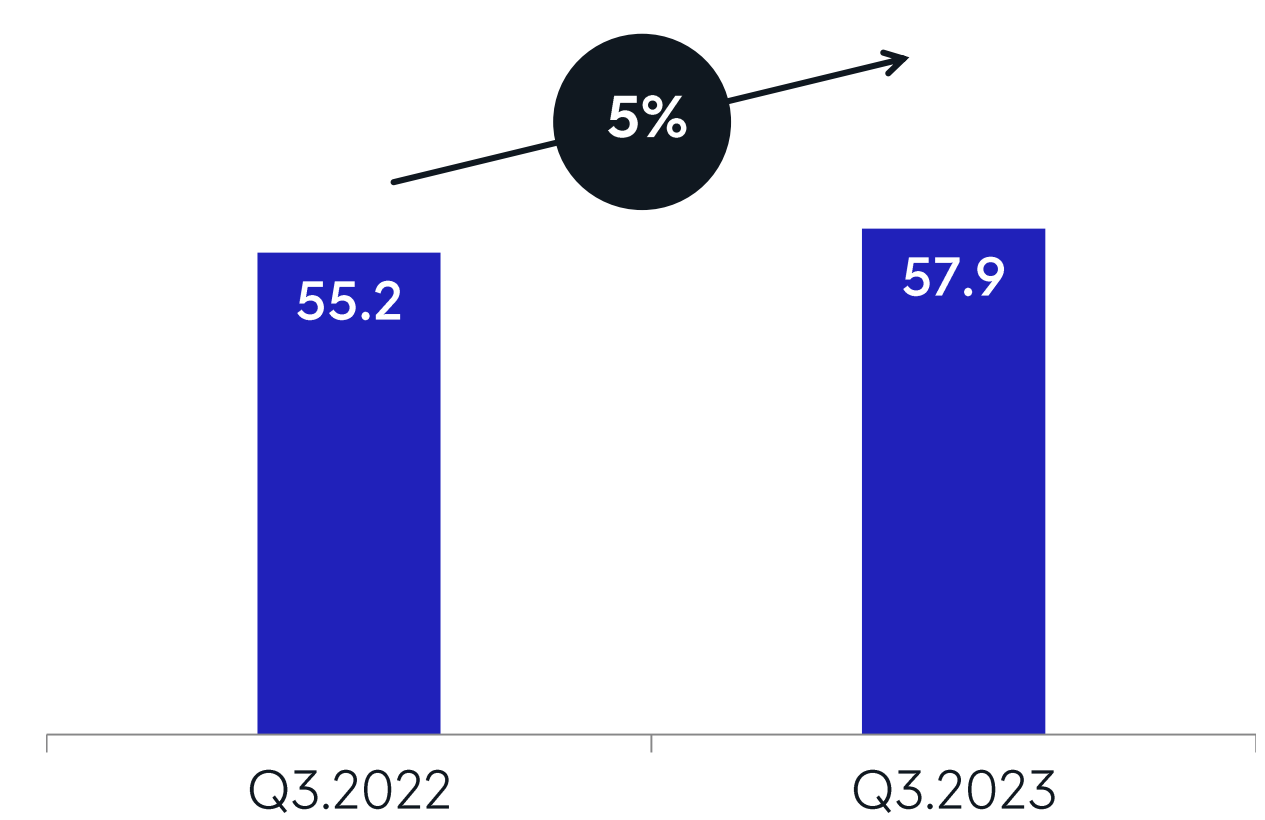
Net interest income



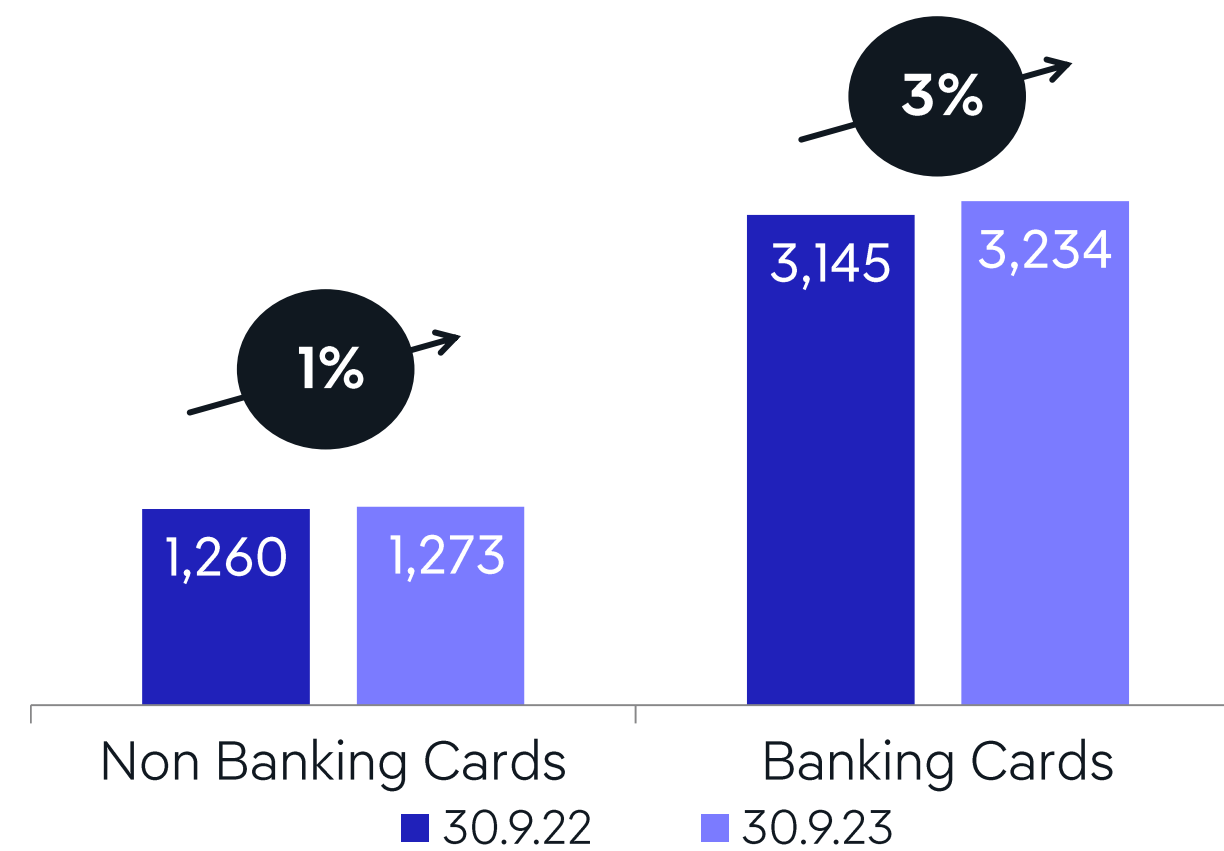
Income from Credit Card Operations
(Issue and Clearing)



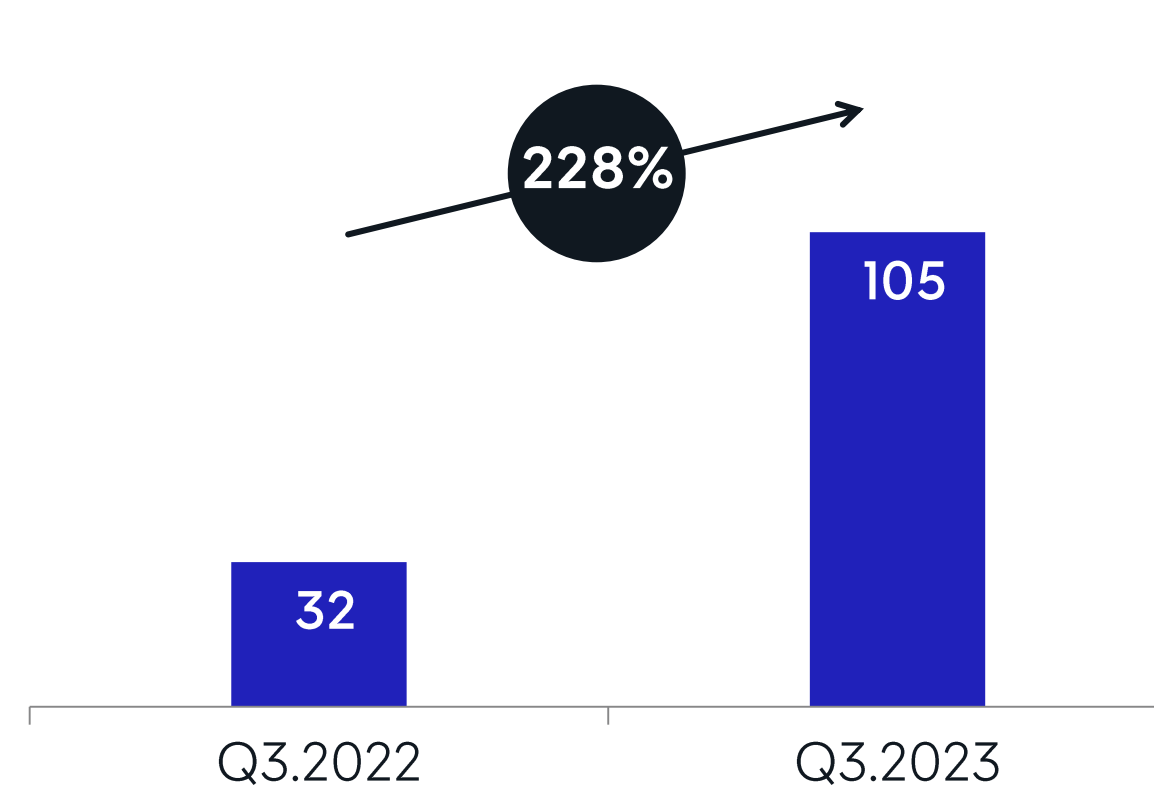
Transaction Turnovers in Credit Cards
Issued by the Company (ILS billion)



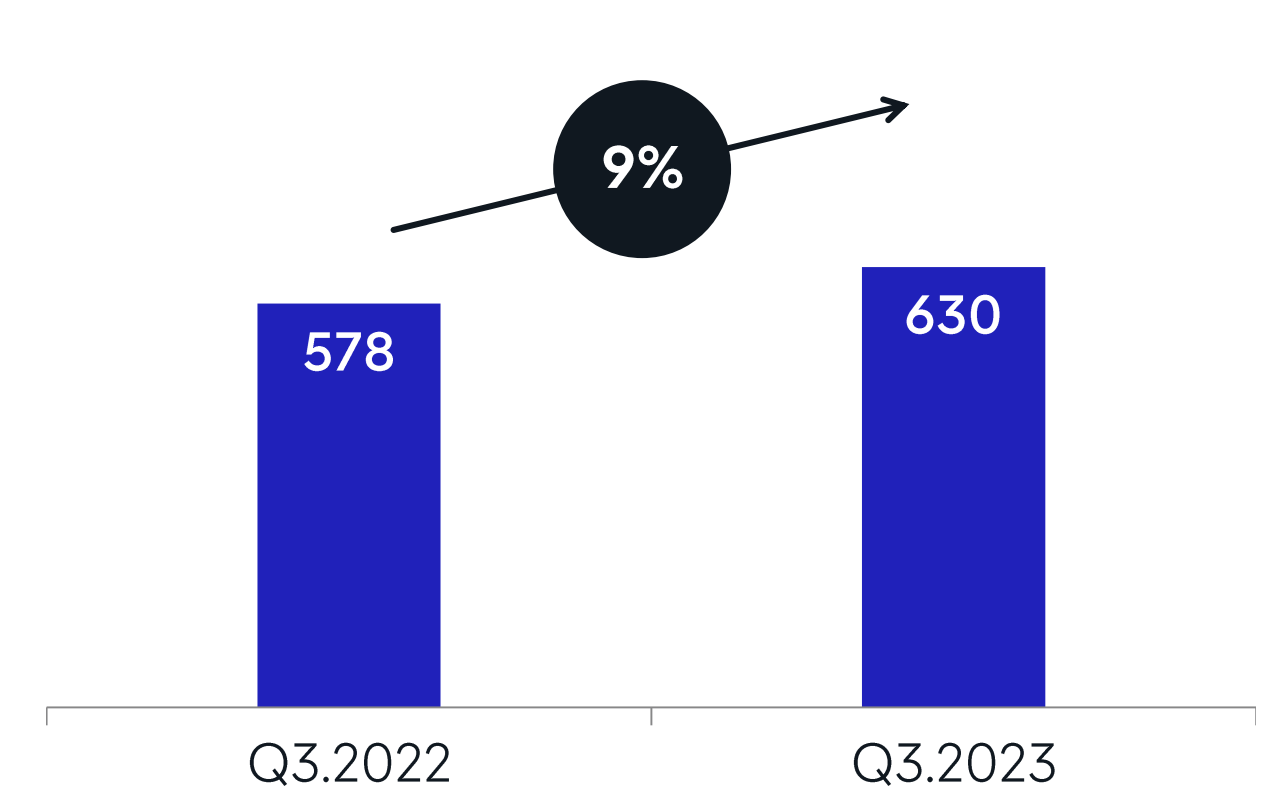
Number of Active Cards (thousands)



Credit Loss Expenses



Total Expenses without Credit Losses





Credit to Private Customers

Q3.2023

Net interest income⁽²⁾

ILS 168M

Compared with ILS 106M in the corresponding previous period

Income rate from interest⁽¹⁾

11.72%

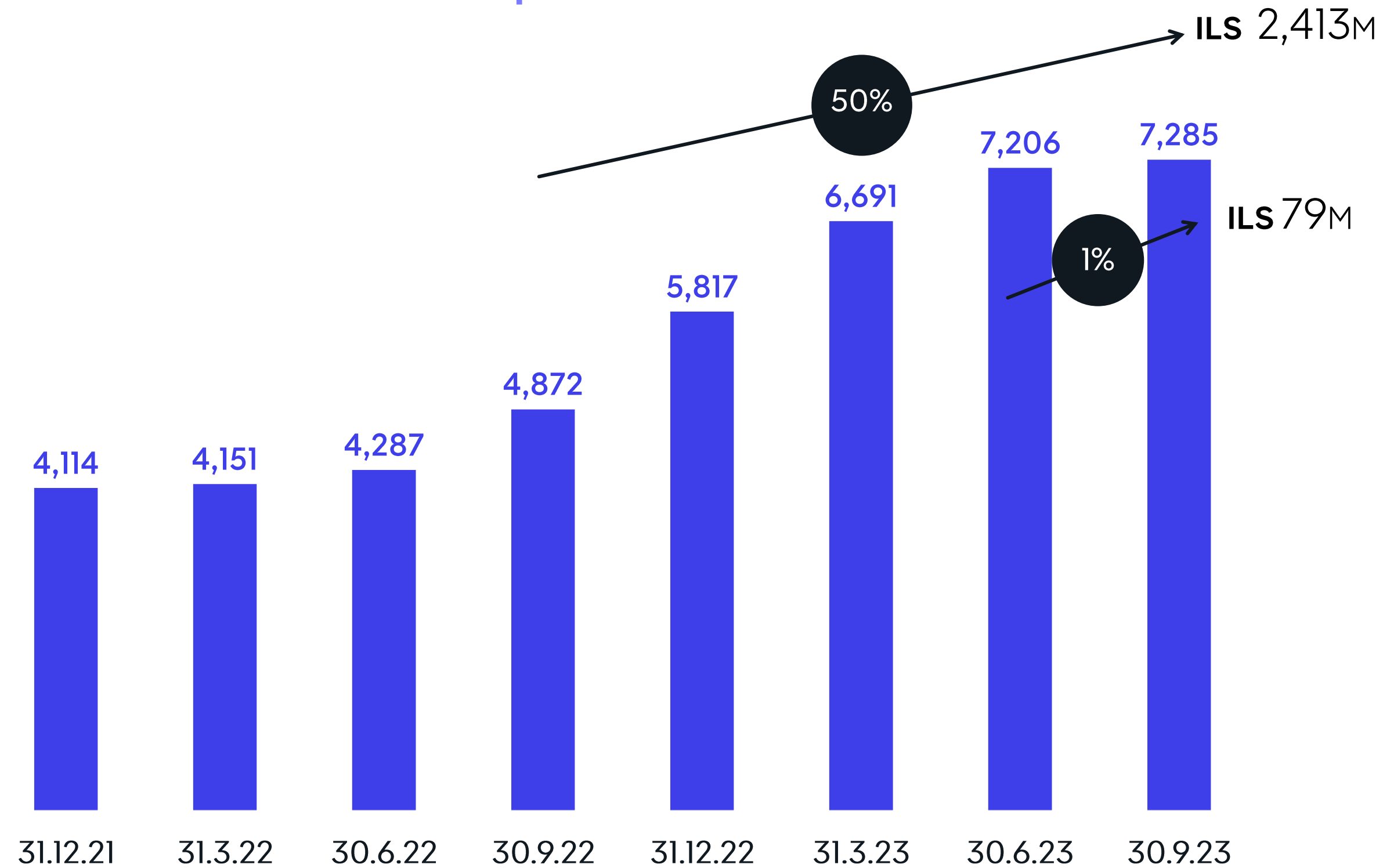
Compared with 10.06% in the corresponding previous period

The income margin rate above prime

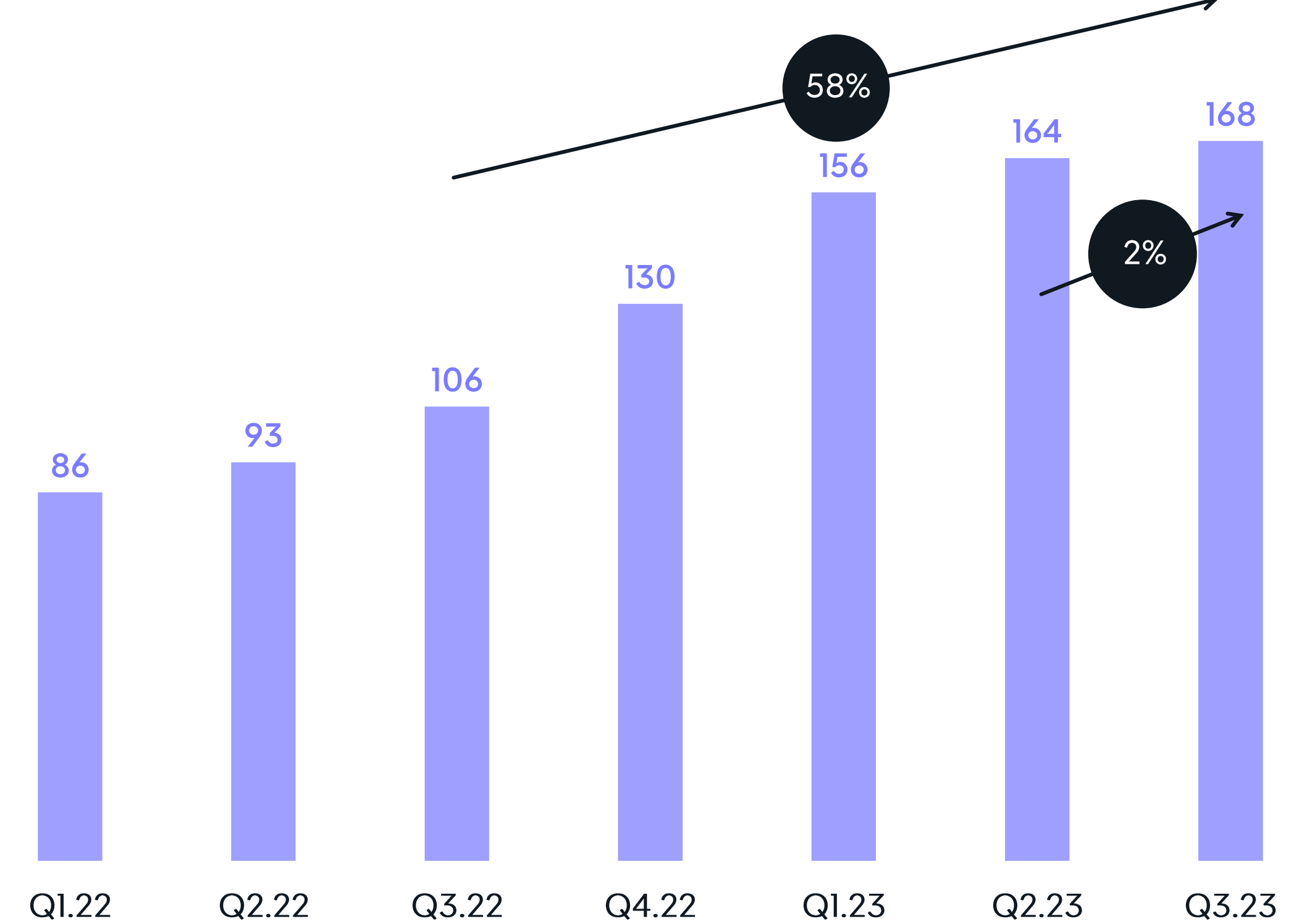
5.47%

Compared with 7.04% 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 Credit

Q3.2023

Net interest income⁽²⁾

ILS 76M

Compared with ILS 42M in the corresponding previous period

Income from interest rate⁽¹⁾

9.18%

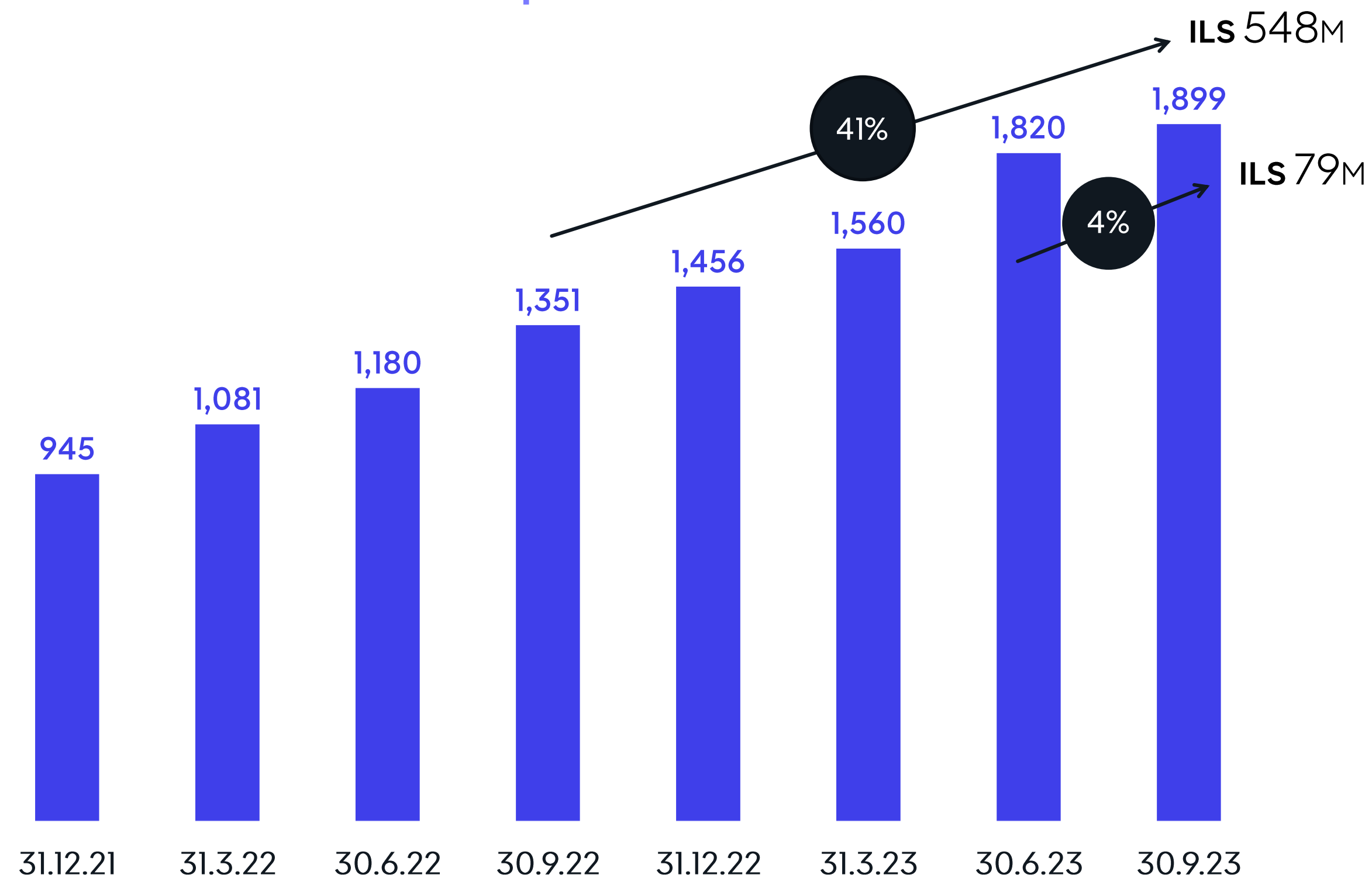
Compared with 6.61% in the corresponding previous period

The income margin rate above prime

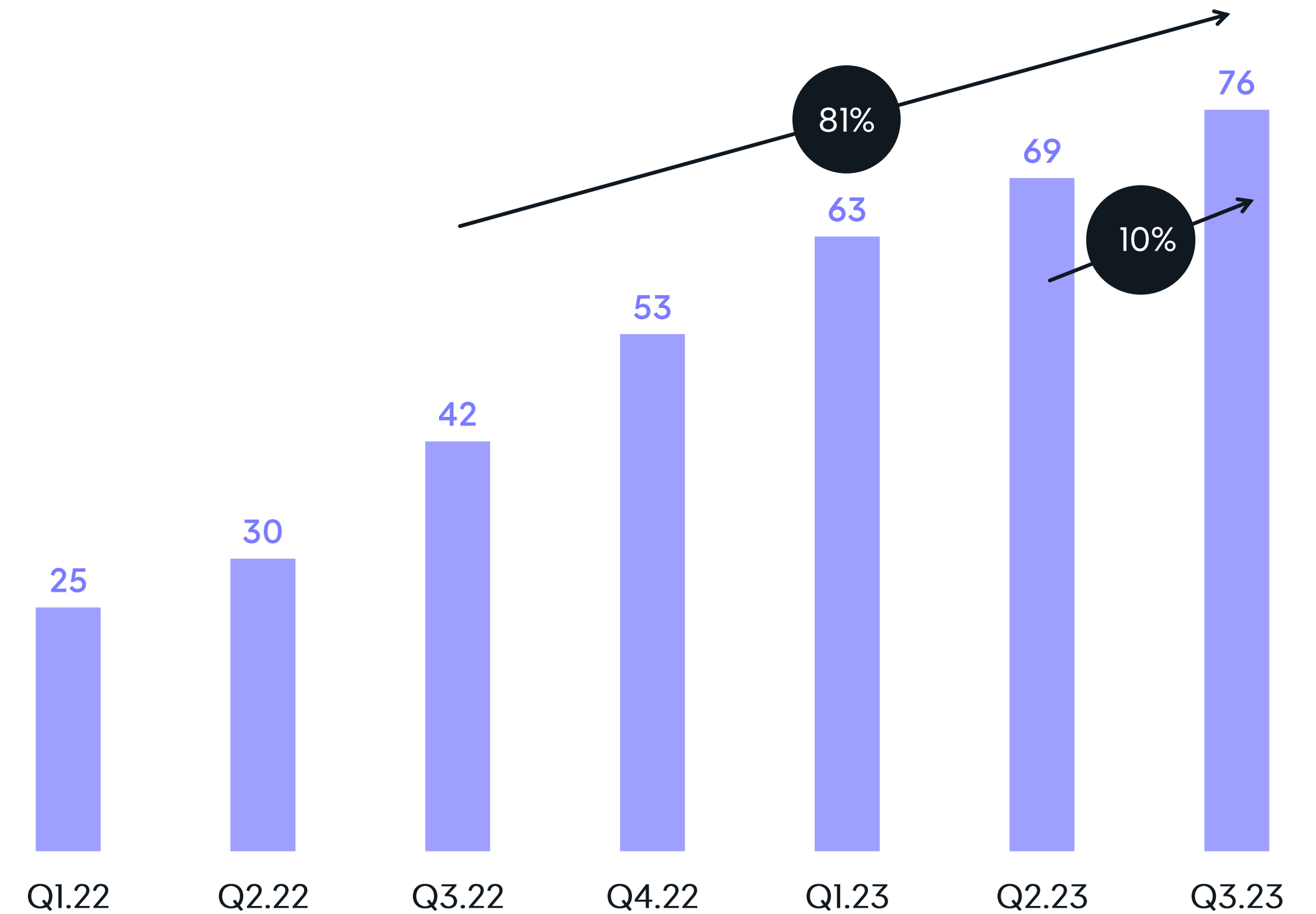
2.93%

Compared with 3.59% 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.



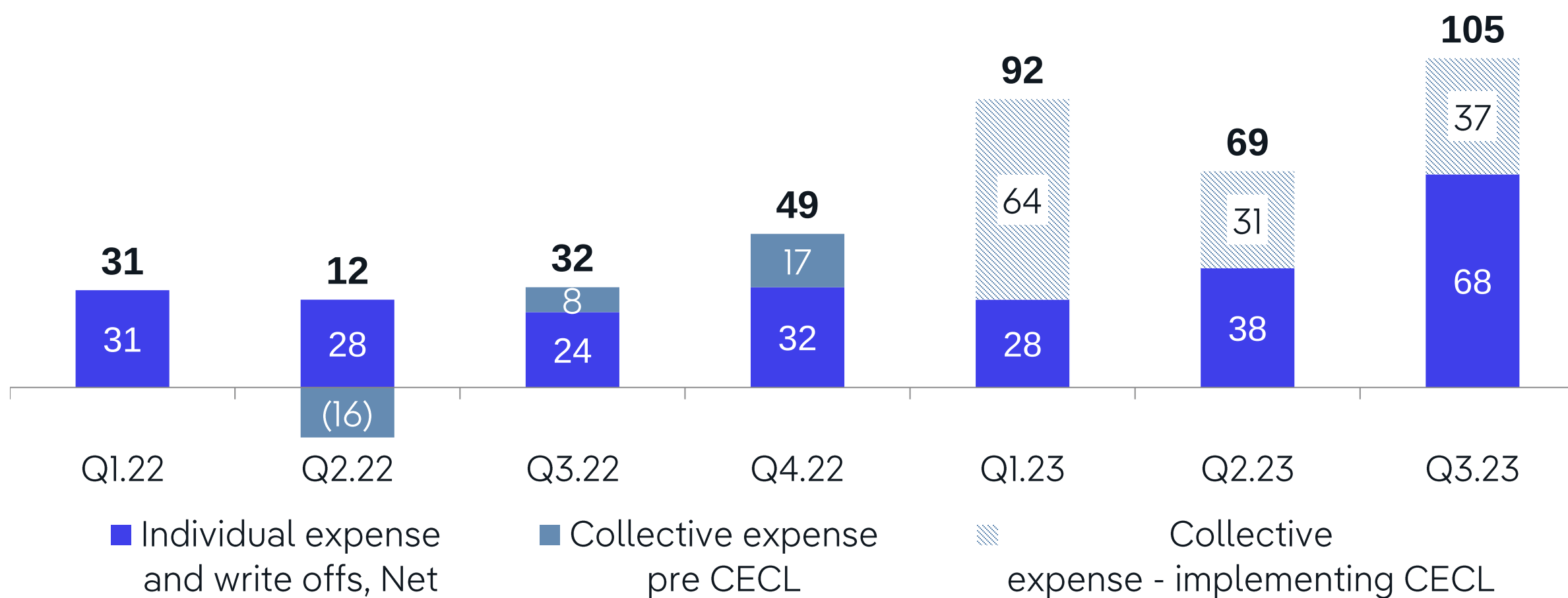
Credit Loss Expenses

Q3/2023 (ILS millions)

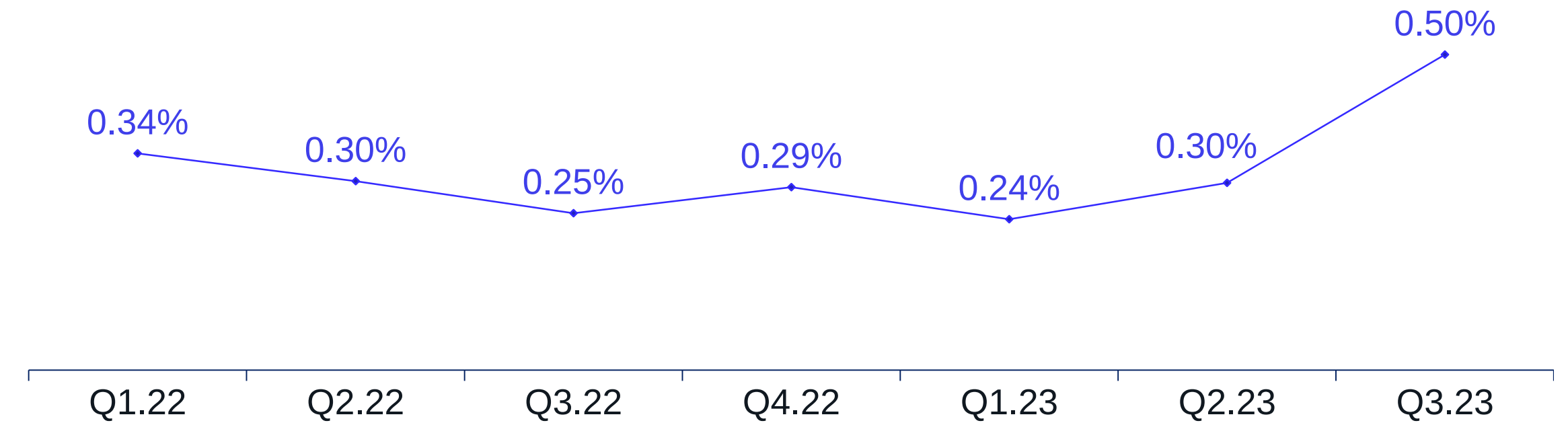
Credit loss expenses in Q3 of the year amounted to ILS 105 million, compared with NIS 32 million in the corresponding previous quarter. The expense increase derived primarily from:

- Implementation of new guidelines concerning anticipated credit losses (CECL) starting in 2023.
- Ongoing interest rate hikes, following years of low interest rates, raise concerns about the repayment capability of households and business customers, potentially affecting the quality of the credit portfolio.
- Escalation in macroeconomic indicators, used as a basis for calculating the collective allowance for credit losses, due to prevailing economic uncertainty amid the "iron swords" War.
- Reduction in collective allowance rates during the previous corresponding period, attributed to improved macroeconomic estimates and the economy's return to pre-COVID-19 crisis activity.

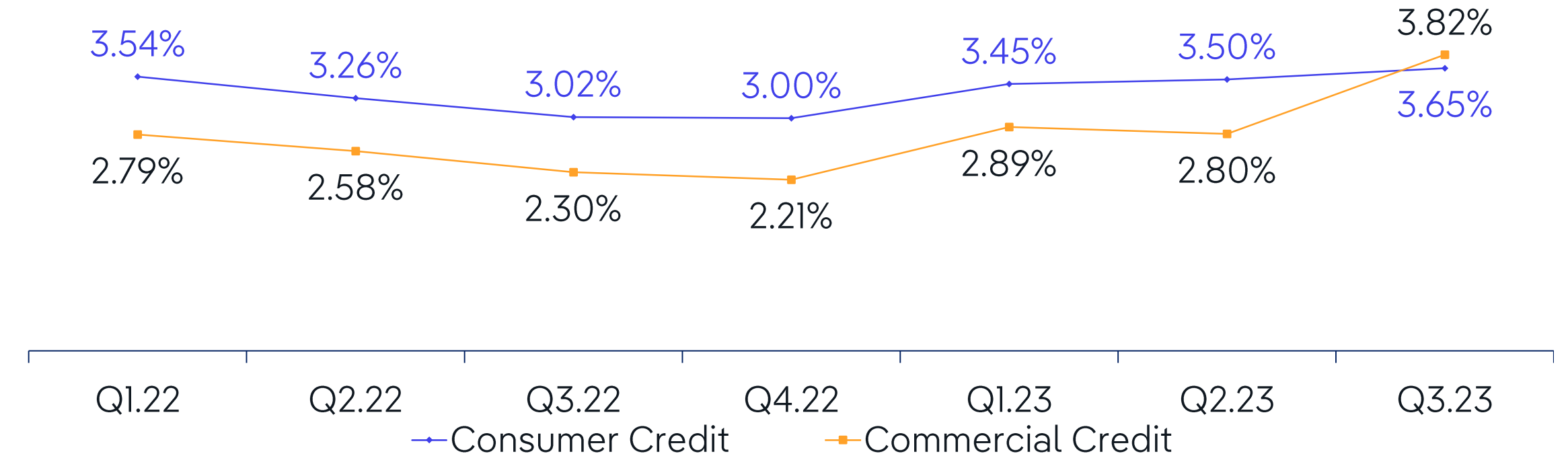
credit loss expenses in a distribution for a collective expense and write-offs, Net, with the addition of individual expense



Rate⁽¹⁾ of individual expense and write-off, net from the receivables balance due to average credit cards (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



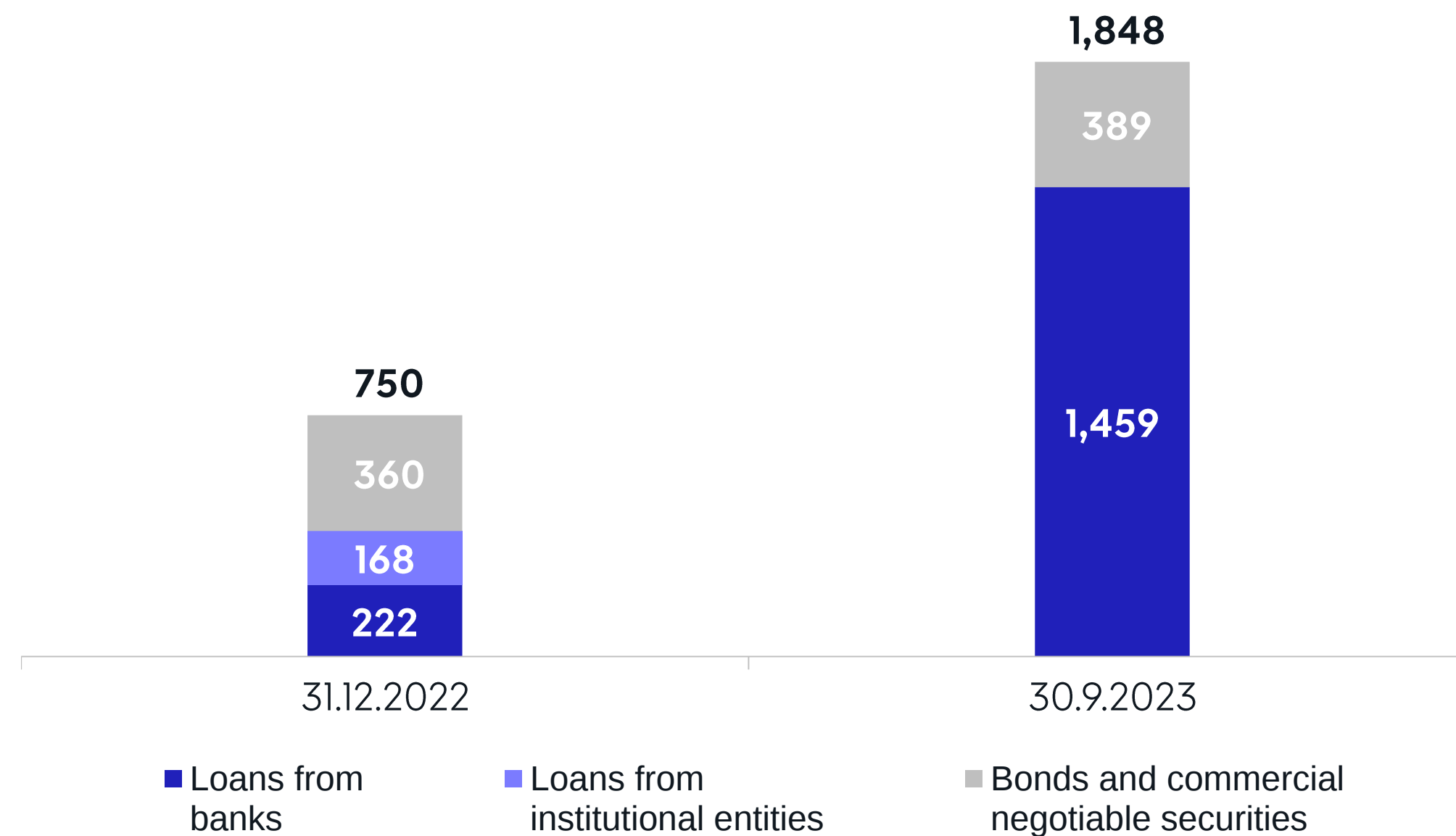
Equity, Capital Adequacy and Financing Sources

(as at September 30, 2023)



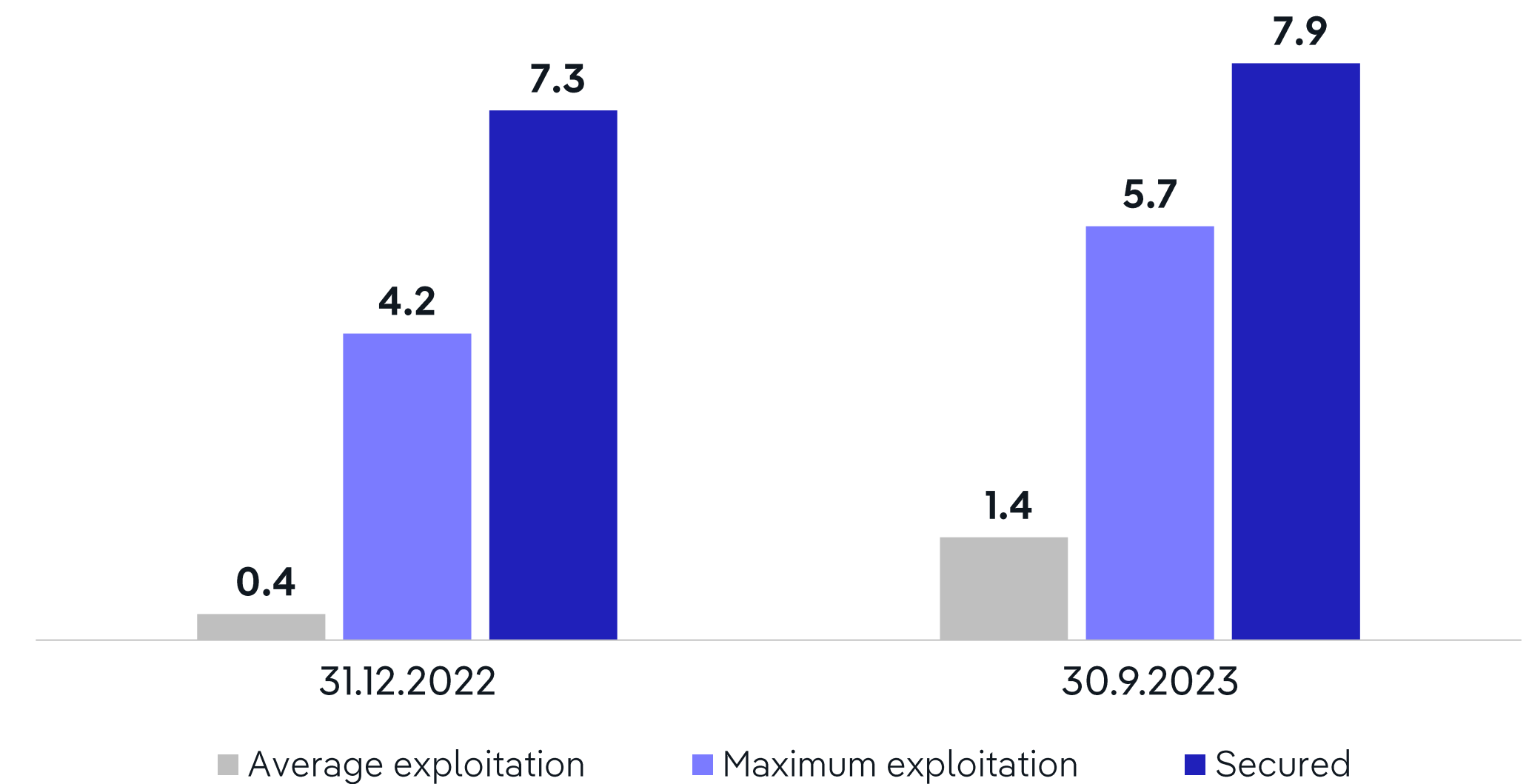
Financing Sources

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



The Group's credit facilities⁽¹⁾

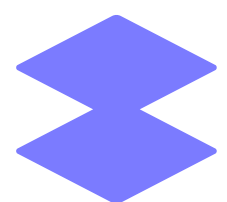
Maximum and average exploitation since the beginning of the calendar year (in ILS billions)



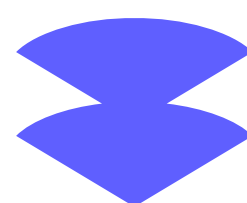
(1) Including autonomous credit facilities



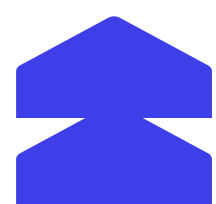
The Iron Swords War



Implementing measures to maintain and ensure corporate continuity



Enhance control and monitoring of the credit risks in the business activity



Intelligent risk management adapted to the economic environment



Assistance for customers and businesses coping with the effects of the war





Isracard for Private Customers

Products and Services for Alleviation and Assistance

A Designated Center for citizens of Gaza Envelope as well as Families of the Missing and Casualties

Mobile Service Units at the Evacuee Hotels throughout Israel

ישראל כרטיס

בימים כלי-כך קשים ומורכבים לכולנו, ריכזנו עבורכם מגוון פתרונות שעשויים להקל עליכם בתקופה הקרובה ולאפשר לכם גמישות

פריסת החיוב החודשי
אם החיוב הצפוי עומד להיות גבוה במיוחד, יש לכם את האפשרות לפרוס אותו ולהימנע מהוצאה גבוהה בבת אחת
[לפריסת החיוב](#)

דחיית החזרי הלואה
יש לכם הלואה מישראל כרטיס? אתם יכולים לדחות את ההחזר החודשי ב-3 חודשים ולהעניק לעצמכם טיפה אוויר
[לעדכון דחיית הלואה](#)

חיוב חודשי קבוע
בחרו בעצמכם את סכום החיוב החודשי בכרטיס האשראי ושמו על שליטה מלאה בחשבון, ב-0% ריבית על יתרת החיוב שנדחה למשך 3 חודשים
[לבחירת סכום החיוב](#)

במיוחד עכשיו, מחברים את הכרטיס לנייד כדי שלא תהיו תלויים בארנק או בכרטיס בכל רגע, אנחנו ממליצים לחבר את כרטיס האשראי לנייד באופן מאובטח ומהיר
[לחיבור הכרטיס לנייד](#)

ישראל כרטיס

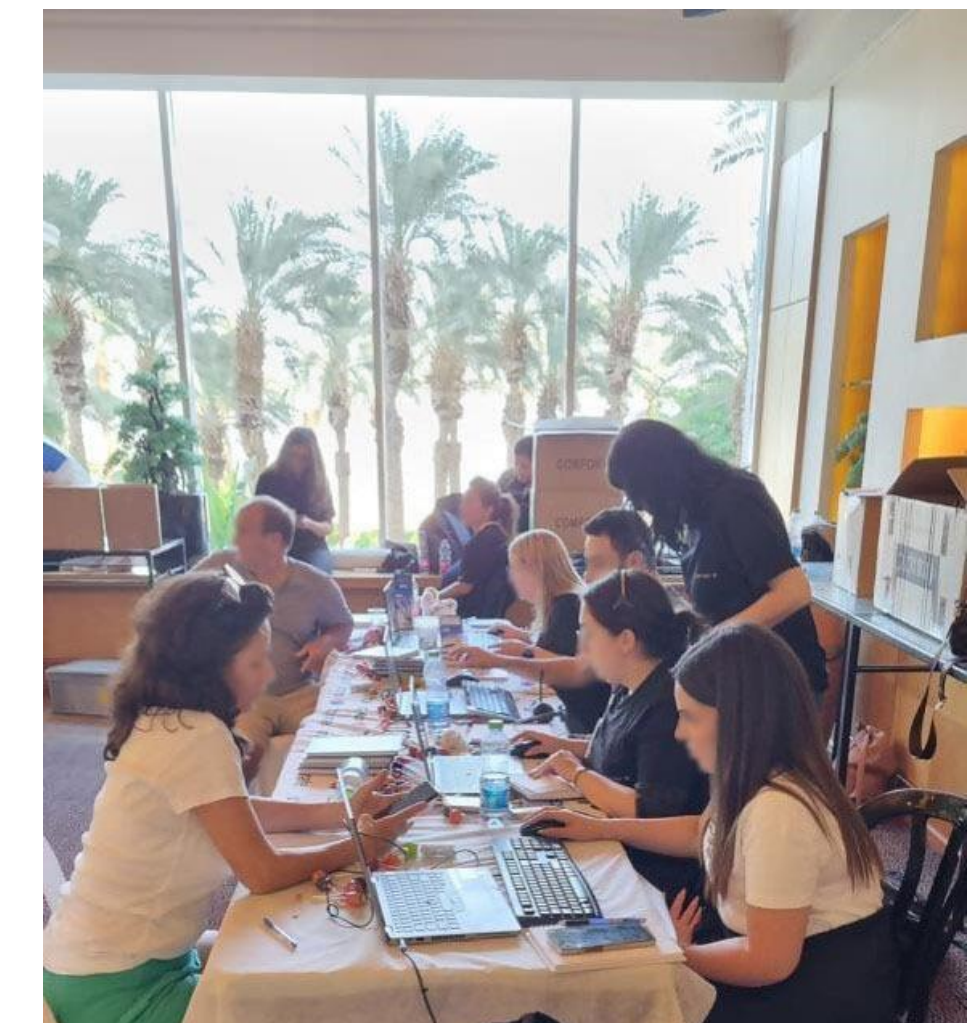
Citizens and business proprietors in the Gaza Envelope and the North and families of casualties and missing persons

Isracard embraces you during these difficult times and has activated an emergency center to serve you:

Private customers: 03-636-4257
Business proprietors 1800-840-840
Sun – Thurs 9 a.m. – 6 p.m.

I work at Isracard,
Happy to help

אני עובד בישראל כרטיס, פנו אלי בפרטי
אשמח לעזור





Isracard for Businesses

Loans and Financing under
Preferable Conditions

Business Community:
Assistance and Consultation for
Small Businesses amidst the
Situation

Promotion and Advertising of more than 1,000 Small
Businesses on the Company's Digital Advertising Platforms

ישראל כרטיס לעסקים

הלוואה דיגיטלית לעסקים
בתנאים מועדפים

עד 20 תשלומים
הלוואה מהירה עד 20,000 ₪
פריים +1%

בכפוף לאישור ותנאי החברה. הסלולה ישראל כרטיס בע"מ ו/או ישראל כרטיס סיסטם בע"מ. אי עמידה בפירעון
ההלוואה או האשראי עלול לגרום רכיבת פיקדון והליכי הוצאת לפועל. הודעה עד לתאריך 30.11.23.

ישראל כרטיס לעסקים

קהילה
לעסקים
קטנים

onlife
גוף תקשורת לקידום אינטקט חברתי

ישראל כרטיס לעסקים

בעלי עסקים קטנים
קבלו פרסום לעסק
ללא עלות

אני רוצה להצטרף

בכפוף לאישור תנאי החברה ולתקנון הפעילות המופיע באתר ישראל כרטיס. זכאים להשתתף
בפעילות עסקים קטנים בעלי מחזור סליקה שנתי כולל של עד 2 מיליון ₪. ישראל כרטיס אינה אחראית
לפרסום ו/או לתכני הפרסום ו/או לעסקה ו/או לשירות ו/או למוצר כלשהם מטעם בית העסק

ישראל כרטיס

במיוחד עכשיו
כולנו קונים מעסקים
קטנים ישראליים

בתוך הרגעים הקשים המקיפים אותנו, אנחנו נחשפים גם לישראל היפה
במלוא עוצמתה וכל אחת ואחד מאיתנו מחפשים את הדרך לעזור, לתרום
ולהירידם. גם אנחנו בישראל כרטיס מתגייסים לשמור העסקים הקטנים, המהווים
את עמוד השדרה החשוב כל-כך של המשק הישראלי. במיוחד היום, במיוחד
עכשיו, זה הזמן לקנות מעסקים מקומיים ולחזק את ישראל.

ריכזנו עבורכם רשימה
עם עשרות עסקים קטנים שמחכים רק לכם:

La Fruta
מנשי פירות מעוצבים
הרב קוק 65, הרצליה
054-6022888

דולסה Ts
עוגות בעבודת יד ומגוון מאפים
ללא גלוקן וחומרים משמרים
המשכית 15, הרצליה
לפרטים ורכישה

Photoizhar
חנות צילום ודפוס, מתנות
ואקססורייז בעיצוב אישי
סוקולוב 29, הרצליה
לפרטים ורכישה

אתגר ללא סוכר
תוכנית ליווי תזונה דיגיטלית
לאיזון הגוף ולאורך חיים בריא
לפרטים ורכישה



Volunteering Wholeheartedly – Because only Together Can We Win





Investor Deck for summing up Q3/23



Appendices



Consequential Financial Data for Q3/23

	Q3.2023	Q3.2022
ILS Million	Reported	Reported
Income		
Net income from businesses	340	328
Income from cardholders	246	230
Net interest income	244	148
Other income (expenses)	12	(5)
Total income	842	701
Expenses		
Credit loss expenses	105	32
Operating expenses	292	260
Sales and marketing expenses	170	161
Administrative and general expenses	32	29
Payments to banks	136	128
Total expenses	735	610
Pretax profit	107	91
Provision for taxes on profit	(26)	(31)
The Company's share in the profits (loss) of affiliates off to the tax effect	(1)	*-
Net Profit		
Before attributing to the noncontrolling interests holders	80	60
Attributed to the noncontrolling interests holders	*-	-
Attributed to the Company's Shareholders	80	60

* A sum lower than ILS 0.5 million



Consequential Financial Data for the First Nine Months of 2023

	1-9.2023	1-9.2022		
ILS millions	Reported	Reported	One-time effects	On neutralizing one-time effects
income				
Net income from businesses	992	934	-	934
Income from cardholders	689	621	-	621
Net interest income	696	382	-	382
Other income (expenses)	42	(34)	-	(34)
Total income	2,419	1,903	-	1,903
Expenses				
Expenses for credit losses	266	75	-	75
Operating expenses	869	779	⁽¹⁾ (42)	737
Sales and marketing expenses	519	439	-	439
Administrative and general expenses	105	90	-	90
Payments to banks	389	305	-	305
Total expenses	2,148	1,688	(42)	1,646
Pretax profit	271	215	42	257
Provision for taxes on profit	(71)	(74)	(10)	(84)
The Company's share in the profits of affiliates after the tax effect	2	1	-	1
Net Profit				
Before attributing to the noncontrolling rights holders	202	142	32	174
Attributed to noncontrolling rightsholders	(1)	-	-	-
Attributed to the Company's Shareholders	201	142	32	174

(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	30.9.2023	30.9.2022	31.12.2022
Assets			
Cash and deposits at the banks	880	3,722	1,854
Receivable sums from the banks for credit card activity, net ⁽¹⁾	7,266	7,145	6,928
Accounts receivable for credit card activity ⁽¹⁾	15,166	11,951	12,829
Provision for credit losses ⁽¹⁾	(516)	(343)	(363)
Net accounts receivable for credit card activity	14,650	11,608	12,466
Securities	26	59	66
Investments in affiliates	62	46	49
Buildings and equipment	464	436	455
Goodwill	22	-	22
Other assets	887	812	843
Total assets	24,257	23,828	22,683
Liabilities			
Credit from banks and other corporations	1,459	446	390
Accounts payable for credit card activity	18,411	19,166	18,079
Negotiable bonds and commercial securities	389	482	360
Other Liabilities	1,045	941	1,048
Total Liabilities	21,304	21,035	19,877
Equity attributed to the Company's Shareholders	2,940	2,793	2,794
Noncontrolling interest	13	-	12
Total equity	2,953	2,793	2,806
Total liabilities and equity	24,257	23,828	22,683

(1) As of January 1, 2023, the Company implements the instructions of the Bank of Israel Circular regarding “updates in the public report of clearinghouses”.