



Investor Deck | Q1/2024 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 22nd 2024, 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.



Forward Looking Information

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 activities, nor does it replace the need to review the Company's 2023 and Q1/2024 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.

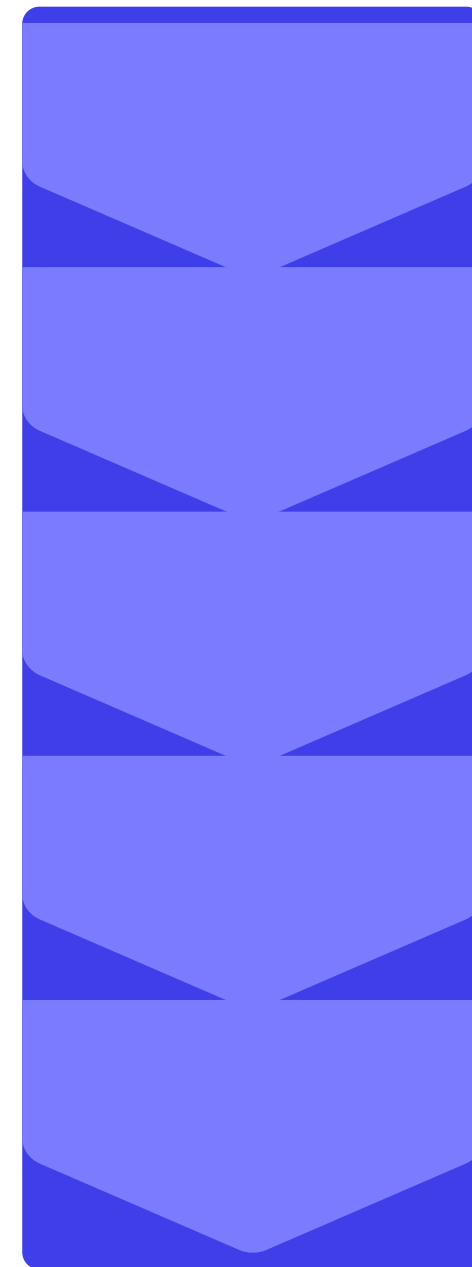
This presentation does not constitute an offer or solicitation to acquire the Company's securities and its content contains nothing to constitute a recommendation or an opinion or alternative to the investor's consideration.

This presentation contains programs, objectives, evaluations, assessments and 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 estimate, inter alia, on facts and data regarding the Group's current business status, the state of payment and credit markets, and the state of the market known to the Company when preparing this presentation. It is also based on macro-economic facts and data, on which the Company relies without any ability to verify them, including reports and publications by 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 in 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, by changes in the volumes of activity and the number of the Group's cardholders, 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 and interest rates in Israel and/or overseas and recession, the manner in which the "Iron Swords" War develops, its nature, duration, expansion and its local and global implications, by the ongoing progress of government actions and the Knesset for legislative changes, inter alia in relation to the judicial system and their implications, should there be any; by changes in the geopolitical situation, including the implications of the local and global political and security conflicts, changes in financing conditions and the effects and implications of all or some of these on the Group and changes in other areas 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's control and, which are likely to result in the full or partial non-eventuation of the assessments and/or changes in the business plan of the Company and/or to their eventuation in a different and even material manner from that forecast and 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.

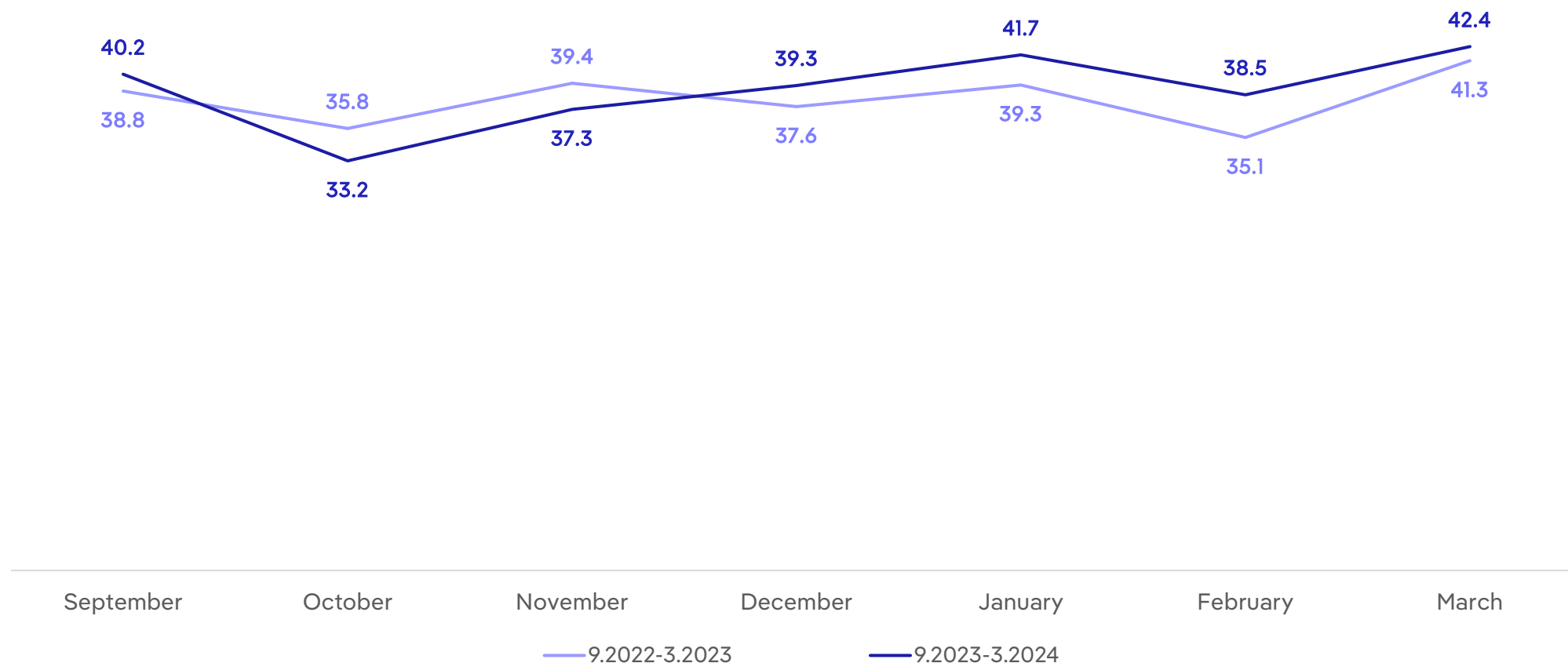




Israel Q1-2024: Credit Card Activity in Israel

ILS Billion

Credit card transactions turnover in Israel⁽¹⁾, relative to the corresponding month last year



(1) Taken from "SHVA" data



Financial results - The first quarter of 2024

ILS million

Pre-tax earnings

84

70 in Q1.2023

20%



Net earnings

64

55 in Q1.2023

16%



Return on equity

8.5%

7.8% in Q1.2023

Total capital ratio

13.8%

(minimum regulatory requirement 11.5%)

Net interest Income

Increase in the credit portfolio's contribution to the results

Consumer credit

₪170M

+2%

Growth from Q1.2023

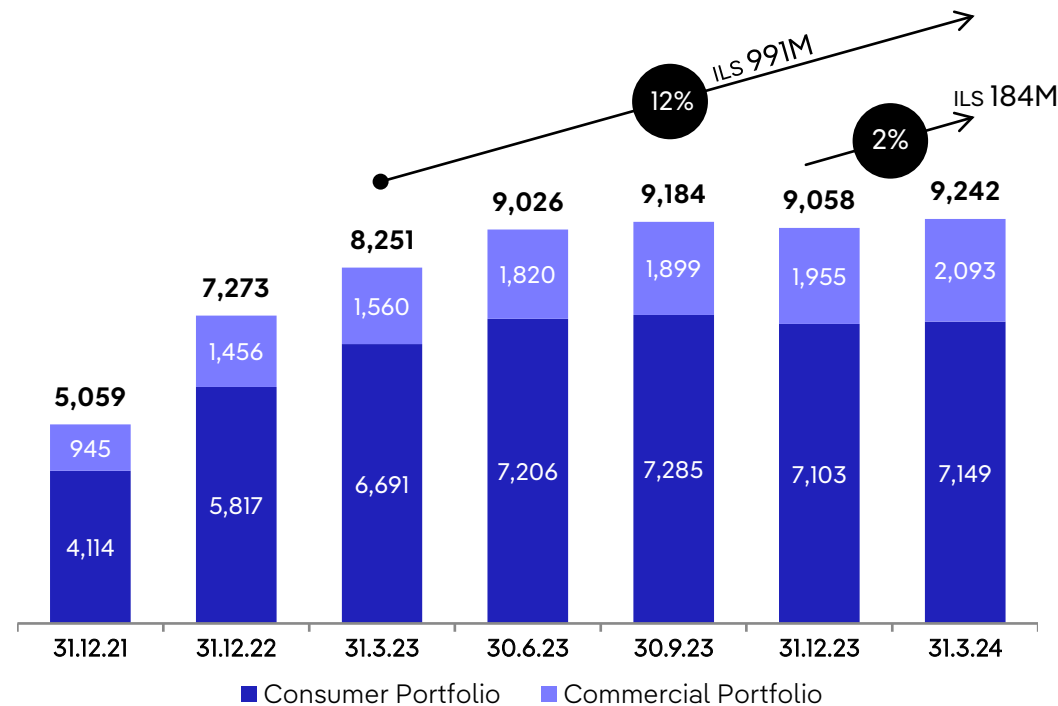
Commercial credit

₪61M

+15%

Growth from Q1.2023

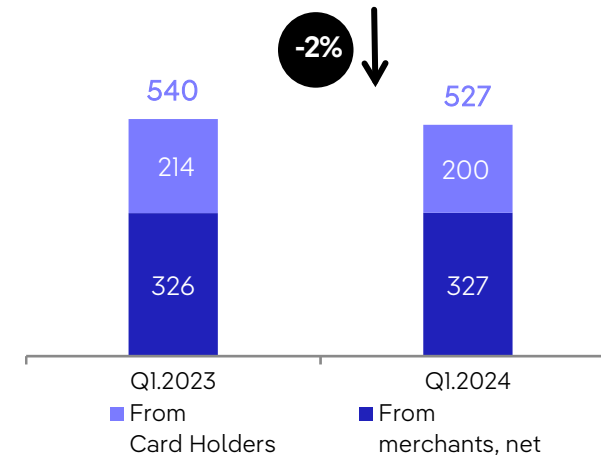
Credit portfolio growth



Transaction turnovers in credit cards issued by the Group

55,652 +3%

Income from credit card activity

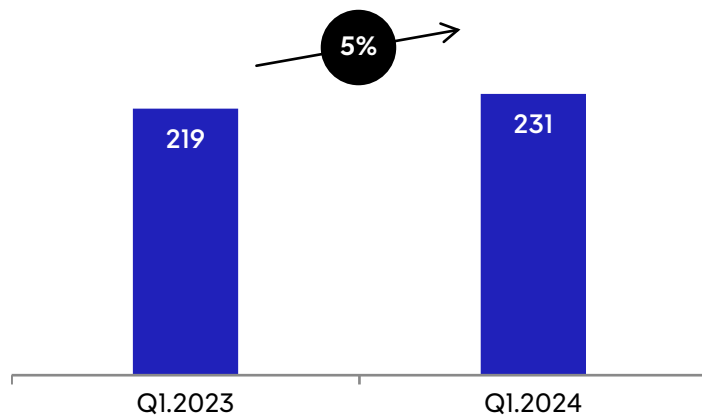




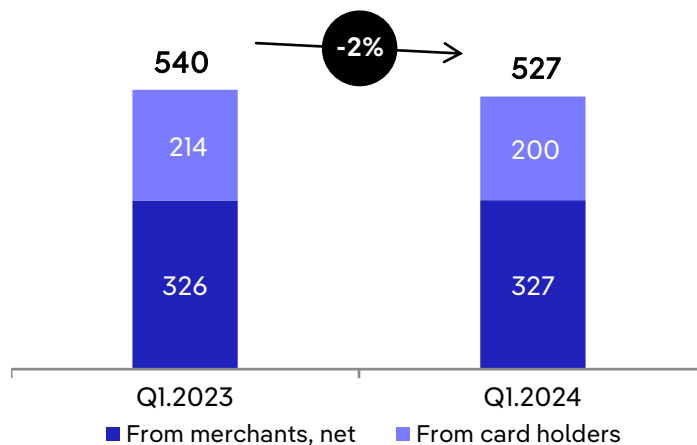
Q1.2024: Main financial data

ILS million

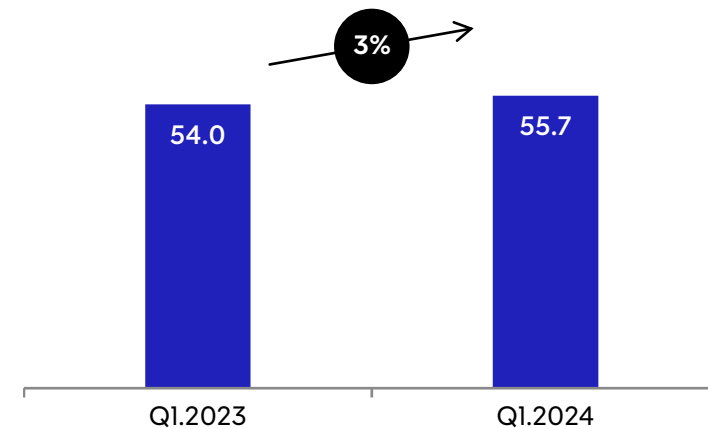
Net interest income



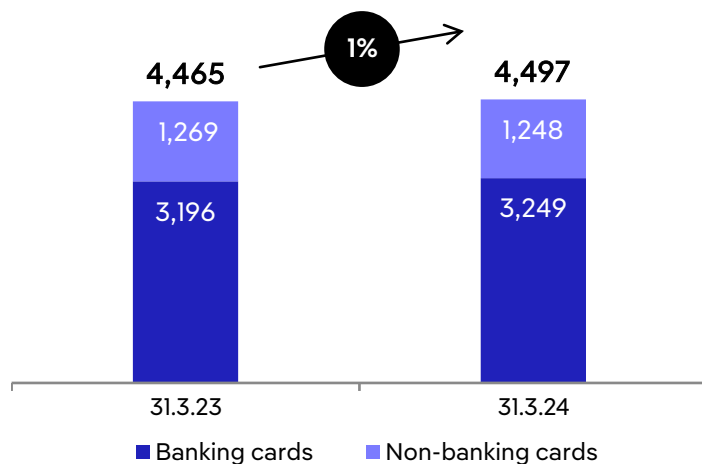
Income from credit card operations (issuing and acquiring)



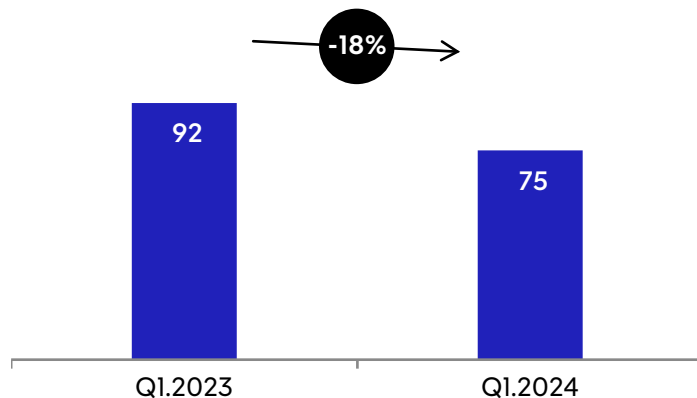
Transaction turnovers in credit cards issued by the Company (ILS billion)



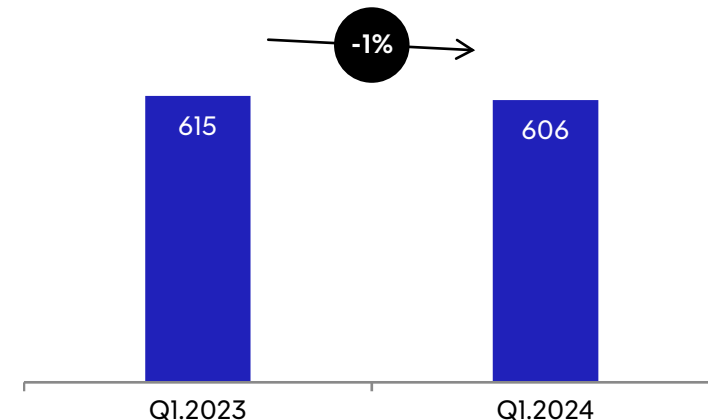
Number of active cards (thousands)



Credit loss expenses



Total expenses excluding credit losses





The Company's Credit Portfolio – Q1.2024

ILS million

Consumer Credit

Interest income

196 ↑ 9%

Compared with 180 in Q1/23

Interest income rate⁽¹⁾

11.15%

Compared with 11.54% in Q1/23

Income margin rate
above prime

5.14%

Compared with 6.11% in Q1/23

Commercial Credit

Interest income

73 ↑ 24%

Compared with 59 in Q1/23

Interest income rate⁽²⁾

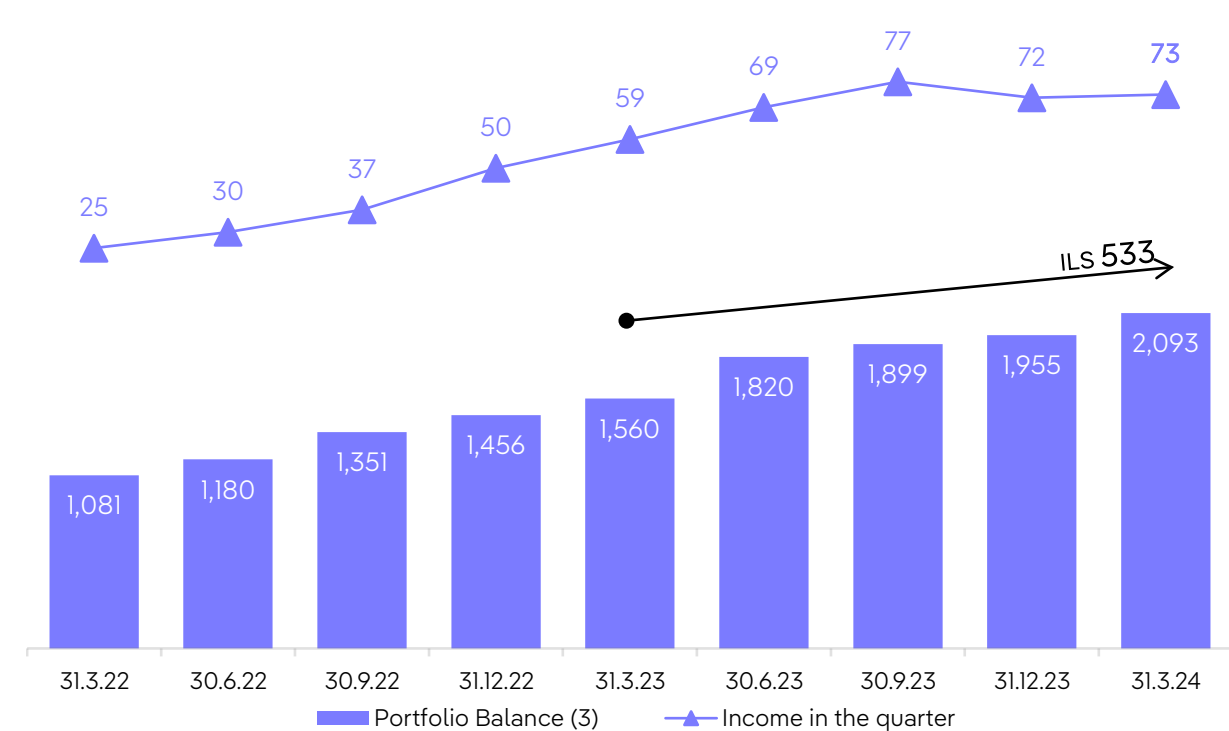
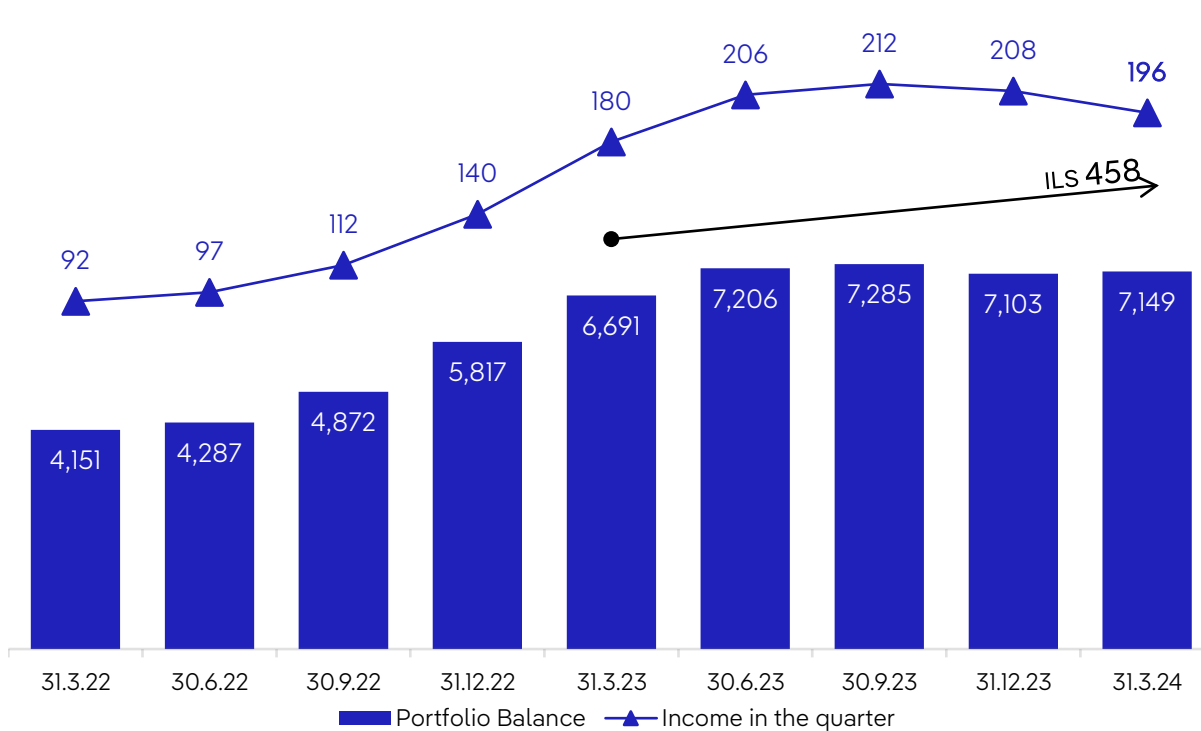
8.99%

Compared with 8.95% in Q1/23

Income margin rate
above prime

2.98%

Compared with 3.52% in Q1/23



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

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

(3) Does not include balances that complied with the liability extinguishment settlement condition according to FAS 166 for discount sales vouchers for merchants.

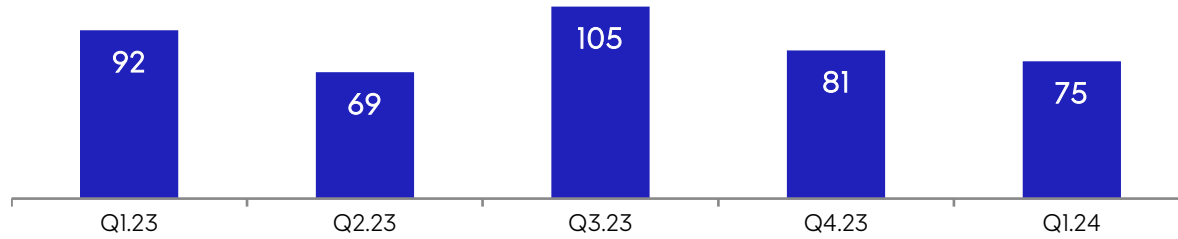


Credit Loss Expenses

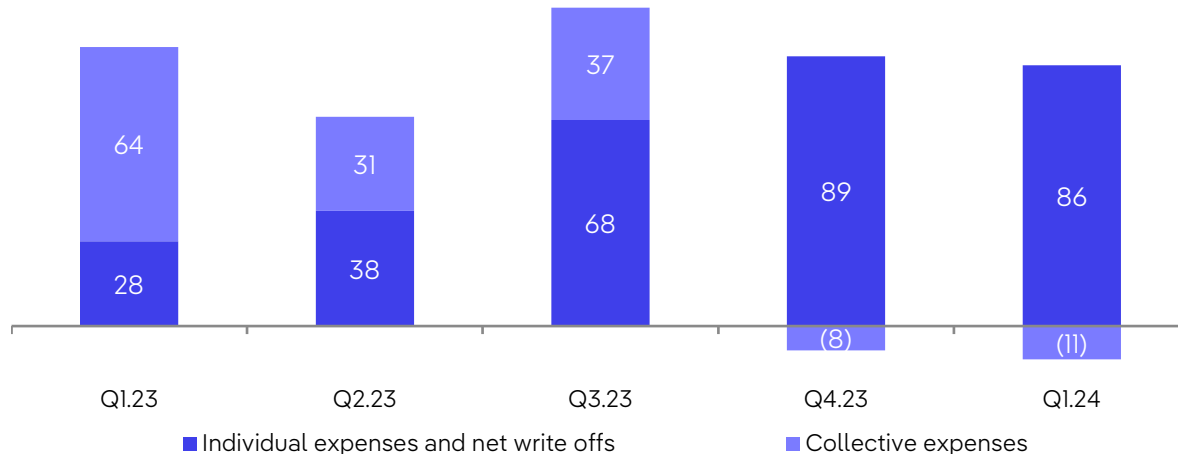
ILS million

Credit loss expenses in Q1/2024 amounted to ILS 75 million in comparison with ILS 92 million in Q1/2023. The decreased expense derived primarily from a decrease in the collective provision as a result of a more moderate increase in the overall credit portfolio in Q1/2024, which was offset in part from an increase in net write-offs and individual provision.

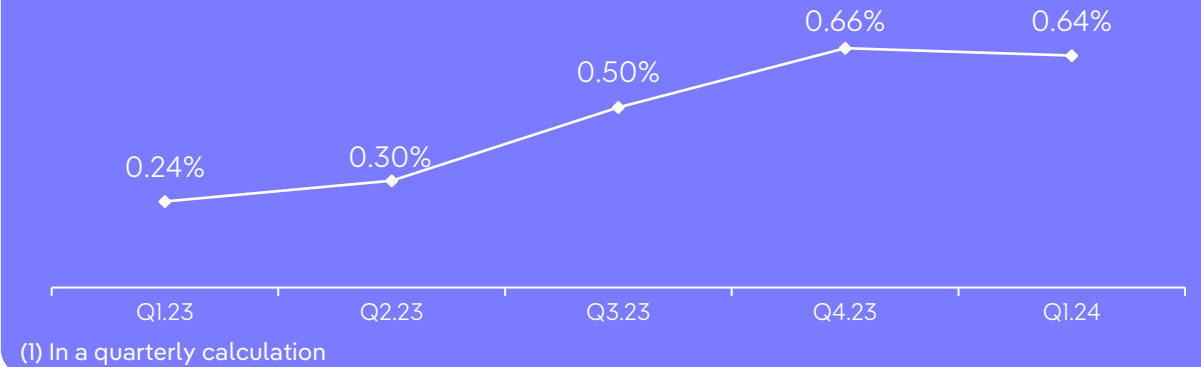
Total credit loss expenses



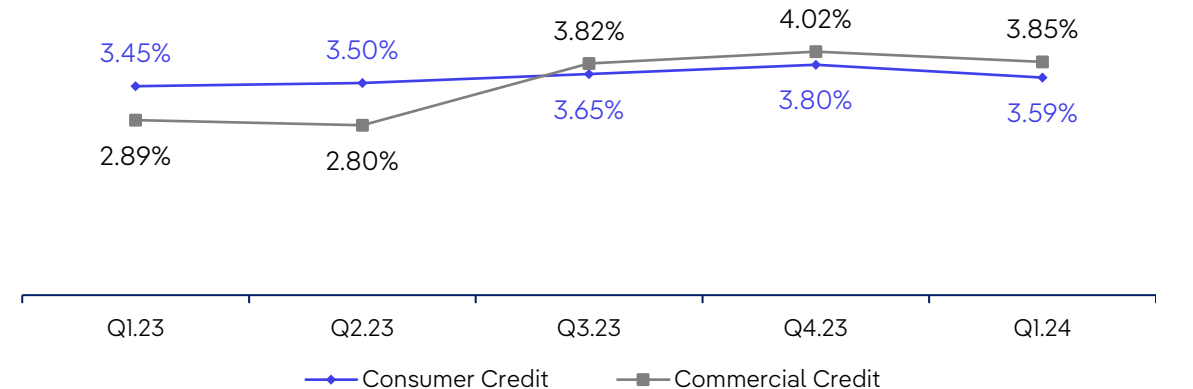
Credit loss expenses divided by individual expenses and net write-offs and collective expenses



Rate⁽¹⁾ of individual expense and net write-offs from the average receivables balance due to credit cards (under the Company's responsibility)



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





Expenses (excluding credit losses) – Composition and Trend

ILS million

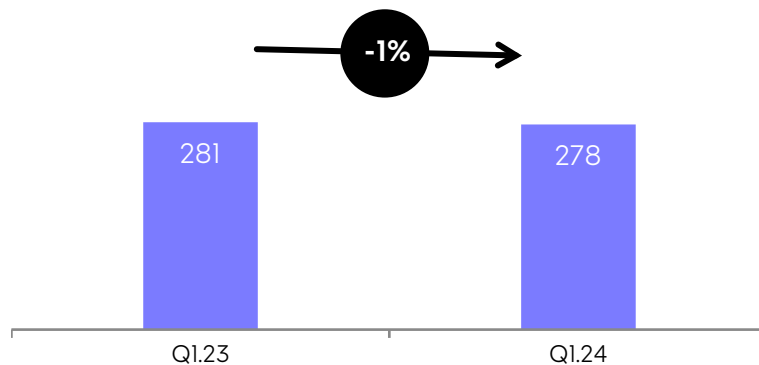
Operating Expenses

The decrease in Q1.2024 is mainly due to decline in outbound and inbound activity volumes.

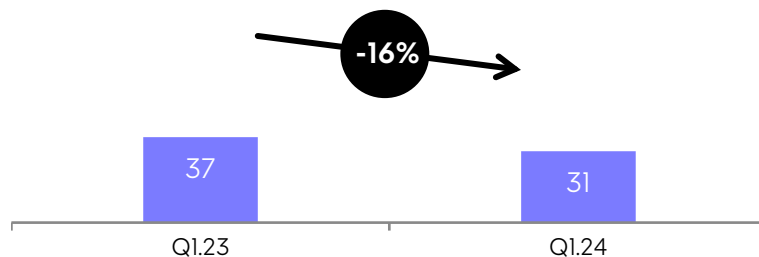
Management and general expenses

The decrease in Q1.2024 is mainly due to a decline in professional consultation expenses, including for the canceled Harel merger.

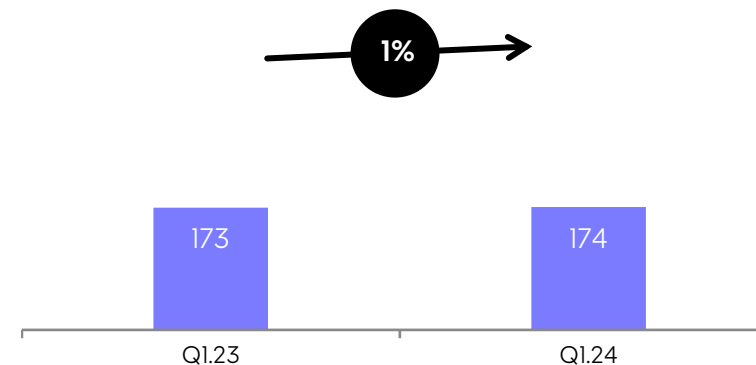
Operating expenses



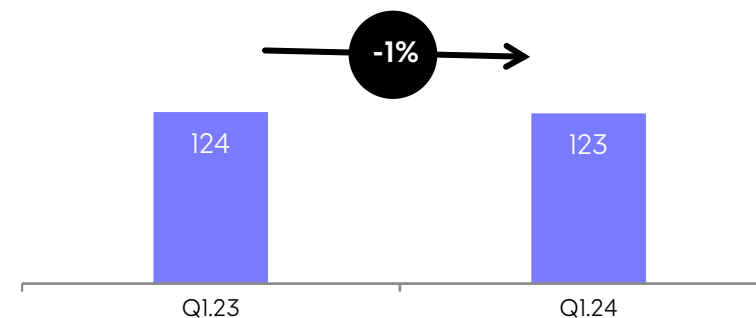
Management and general expenses



Sales and marketing expenses



Payments to banks





Equity, Capital Adequacy and Financing Sources

(as at March 31, 2024)

Shareholders Equity

ILS **3.0 billion**

After a Dividend declaration of ILS 46 million for net profit during H2/23

Tier 1 capital ratio

12.7%

(minimum regulatory requirement 8%)

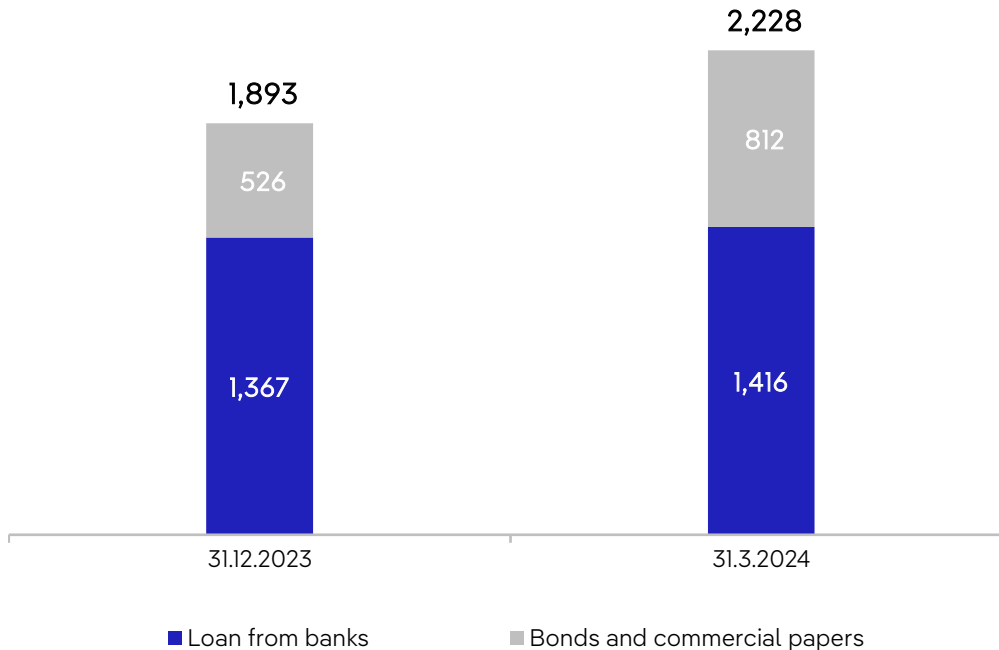
Total capital ratio

13.8%

(minimum regulatory requirement 11.5%)

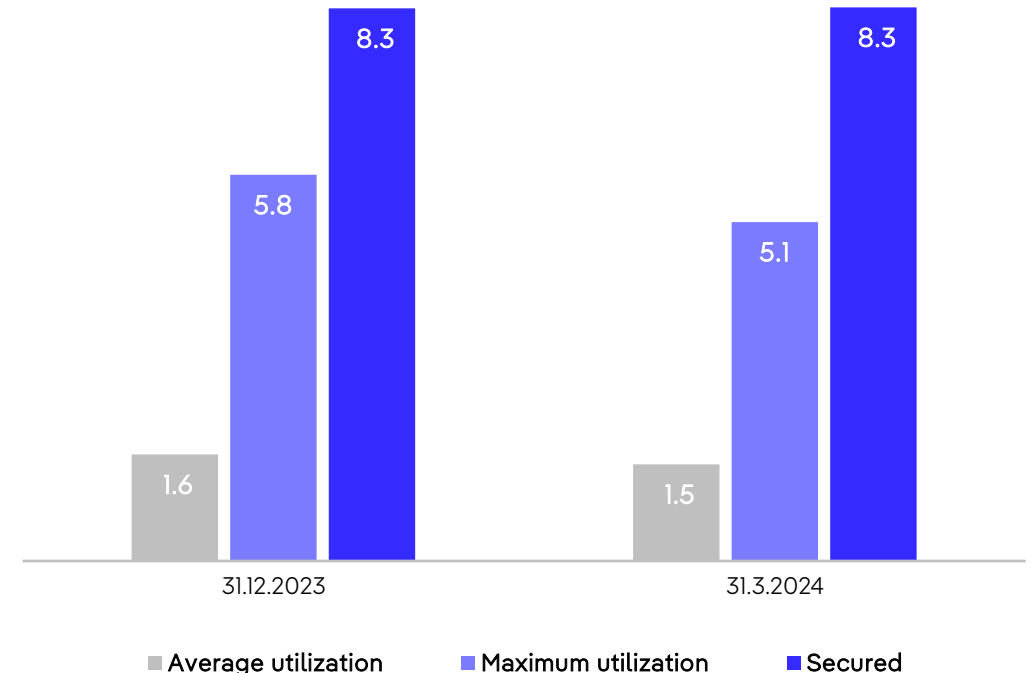
Financing Sources

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



The Group's credit facilities⁽¹⁾

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



(1) Including autonomous credit facilities



Isracard in the community



Independence Day activity for Isracard customers



Hundreds of hours of community outreach



Memorial Day, Living room Testimony gatherings



Round-Up week



Packaging holiday meals



Financial results - The first quarter of 2024

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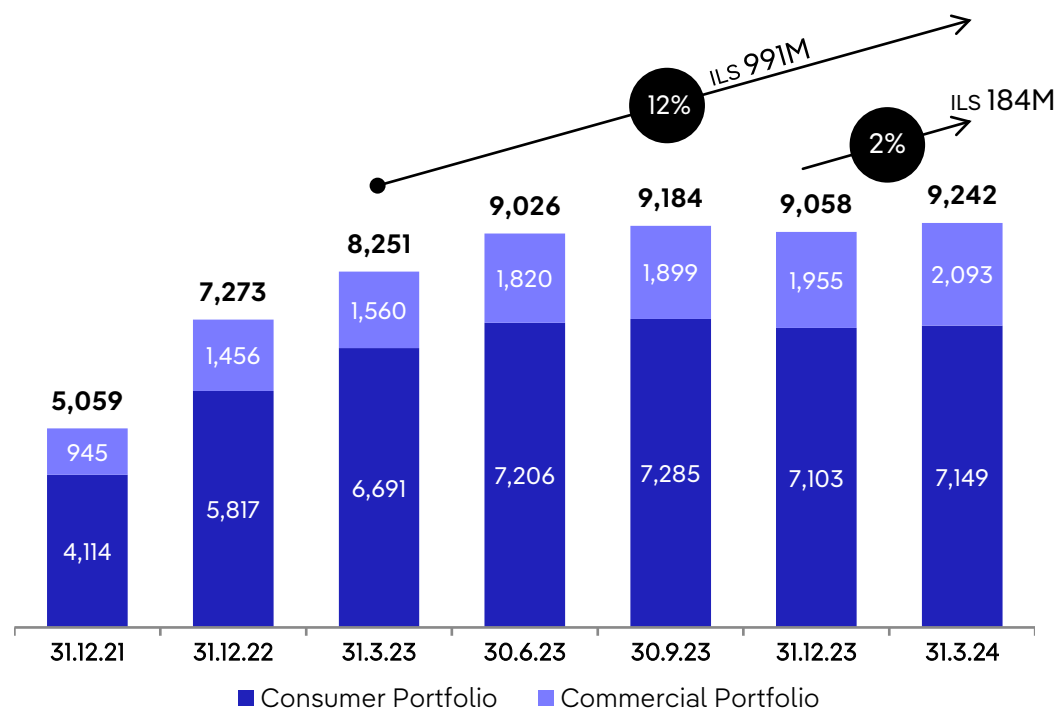
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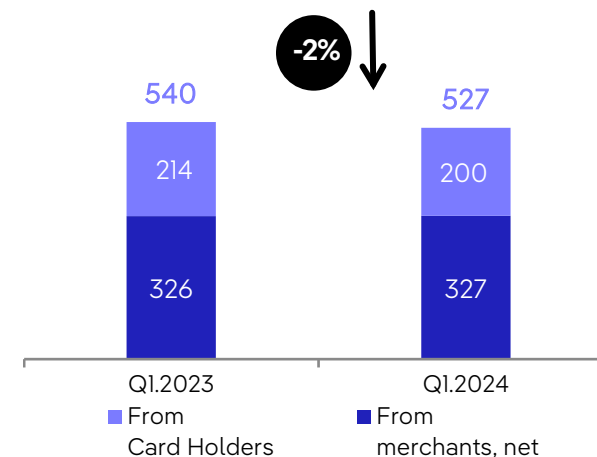
Credit portfolio growth



Transaction turnovers in credit cards issued by the Group

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Income from credit card activity





Appendices



Financial Data for Q1/2024

ILS millions	Q1/2024	Q1/2023
income		
Net income from merchants	327	326
Income from cardholders	200	214
Net interest income	231	219
Other income	7	18
Total Income	765	777
Expenses		
Credit loss expenses	75	92
Operating expenses	278	281
Sales and marketing expenses	174	173
Management and general expenses	31	37
Payments to banks	123	124
Total expenses	681	707
Pretax profit	84	70
Provision for taxes on profit	(20)	(17)
The Company's share in the profits of affiliates after the tax effect	-*	2
Net profit:		
Before attributing to non-controlling interest	64	55
Attributed to non-controlling interest	-*	-*
Attributed to the Company's Shareholders	64	55

* Less than ILS 0.5 million.



Balance Sheet as at

ILS millions	31.3.2024	31.12.2023
Assets		
Cash and deposits with banks	1,702	902
Receivable sums from banks for credit card activity, net	6,503	6,271
Accounts receivable for credit card activity	15,152	14,468
Provision for credit losses	(509)	(514)
Net accounts receivable for credit card activity	14,643	13,954
Securities	26	26
Investments in affiliates	60	60
Buildings and equipment	469	462
Goodwill	21	21
Other assets	898	817
Total assets	24,322	22,513
Liabilities		
Credit from banks and others	1,416	1,367
Accounts payable for credit card activity	17,932	16,556
Marketable bonds and commercial papers	812	526
Other Liabilities	1,128	1,054
Total Liabilities	21,288	19,503
Equity attributed to the Company's Shareholders	3,021	2,997
Non-controlling interest	13	13
Total equity	3,034	3,010
Total liabilities and equity	24,322	22,513