

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT AND LOSS

	Three months ended		Year ended
	March 31	March 31	December 31
	2023	2022	2022
	(Unaudited)		(Audited)
	In NIS millions		
Income			
Credit card transactions	423	377	1,651
Net interest income	194	160	680
Noninterest income	301	17	102
Total income	918	554	2,433
Expenses (Income)			
For credit losses	41	(1)	97
Operating (1)	219	192	815
Selling and marketing (1)	209	149	632
Administrative and general (1)	26	21	97
Payments to banks	88	78	351
Total expenses	583	439	1,992
Profit before taxes	335	115	441
Provision for taxes on profit	72	35	134
Profit after taxes	263	80	307
Company's equity in profits of associate, net of tax effect	*-	*-	2
Net profit	263	80	309
Basic and diluted earnings per ordinary share in NIS:	240.0	72.9	281.5

* Represents an amount of less than NIS 1 million.

(1) Of which: in respect of salaries and social benefits in the amounts of NIS 108, 197 and 396 million in the first three months of 2023 and 2022 and in the year 2022, respectively. It should be clarified that the aforesaid amounts include only the service cost with this being in accordance with Update 2017-07 of the Codification, about improving the presentation of expenses for pension and other post-retirement benefits.

Esther Deutsch
Chair of the Board of Directors

Levy Halevy
Chief Executive Officer

Shaul Mizrahi
Vice President, Chief Accountant

Date of approval of the financial statements: May 15, 2023.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Three months ended		Year ended
	March 31	March 31	December 31
	2023	2022	2022
	(Unaudited)		(Audited)
In NIS millions			
Net profit attributable to equity holders of the Company	263	80	309
Other comprehensive income (loss) before taxes:			
Adjustments to liabilities in respect of employee rights*	3	12	20
Other comprehensive income (loss) before taxes	3	12	20
Related tax effect	(* -)	(3)	(5)
Other comprehensive income (loss) attributable to equity holders of the Company, after taxes	3	9	15
Comprehensive income attributable to equity holders of the Company	266	89	324

* Mainly reflects adjustments in respect of period-end actuarial estimates of defined benefit pension plans and the write-down of amounts recorded previously in other comprehensive income.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS OF

	March 31	March 31	December 31
	2023	2022	2022
	(Unaudited)		(Audited)
	In NIS millions		
Assets:			
Cash and bank deposits	63	107	54
Amounts due from banks for credit card transactions, net	4,410	4,027	4,348
Accounts receivable on credit card transactions	14,048	11,877	13,171
Provision for credit losses	(403)	(329)	(347)
Accounts receivable on credit card transactions, net	13,645	11,548	12,824
Securities	17	30	17
Investments in associate	6	9	11
Buildings and equipment	721	589	705
Other assets	573	557	549
Held-for-sale asset	-	-	39
Total assets	19,435	16,867	18,547
Liabilities and equity:			
Credit from banks	2,906	1,830	3,222
Accounts payable on credit card transactions	13,491	11,885	12,346
Other liabilities	760	847	859
Total liabilities	17,157	14,562	16,427
Total equity	2,278	2,305	2,120
Total liabilities and equity	19,435	16,867	18,547

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Paid-up share capital	Retained earnings	Other comprehensive income (loss)	Total equity
In NIS millions				
For the three-month period ended March 31, 2023 (unaudited)				
Balance as at December 31, 2022 (audited)	*-	2,133	(13)	2,120
Adjustment to opening balance, net of tax, due to effect of first-time application**	-	(34)	-	(34)
Adjusted balance as at January 1, 2023 after first-time application	*-	2,099	(13)	2,086
Dividend	-	(74)	-	(74)
Other comprehensive income, net, after tax effect	-	-	3	3
Net profit for the period	-	263	-	263
Balance as at March 31, 2023	*-	2,288	(10)	2,278
For the three-month period ended March 31, 2022 (unaudited)				
Balance as at January 1, 2022	*-	2,244	(28)	2,216
Other comprehensive income, net, after tax effect	-	-	9	9
Net profit for the period	-	80	-	80
Balance as at March 31, 2022	*-	2,324	(19)	2,305
For the year ended December 31, 2022 (audited)				
Balance as at January 1, 2022	*-	2,244	(28)	2,216
Dividend	-	(420)	-	(420)
Other comprehensive income, net, after tax effect	-	-	15	15
Net profit for the year	-	309	-	309
Balance as at December 31, 2022	*-	2,133	(13)	2,120

* Represents an amount of less than NIS 1 million.

** Cumulative effect with respect to first-time application of US accounting principles dealing with expected credit losses, see Note 1 – Significant accounting policies below.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Three months ended		Year ended
	March 31	March 31	December 31
	2023	2022	2022
	(Unaudited)		(Audited)
	In NIS millions		
Cash flows from operating activities:			
Net profit for the period	263	80	309
Adjustments:			
Company's equity in undistributed profits of associate	(*)	(*)	(2)
Depreciation of buildings and equipment	31	25	102
Expenses (income) for credit losses	41	(1)	97
Deferred taxes, net	52	(129)	(112)
Gain from sale of building	(296)	-	-
Realized gain from securities	-	-	(30)
Severance pay - increase in excess of liability over amount funded	(3)	*-	(2)
Dividend received from associate accounted for according to the equity method	5	-	-
Net changes in current assets:			
Accounts receivable on credit card transactions, net	(705)	(59)	(676)
Effect of exchange rate fluctuations on cash balances	(2)	(1)	3
Other assets	(61)	(43)	(52)
Net changes in current liabilities:			
Accounts payable on credit card transactions, net	1,146	252	713
Other liabilities	8	143	155
Net cash flows provided by operating activities	479	267	505
Cash flows from investing activities:			
Proceeds from sale of securities	-	-	57
Proceeds from sale of building	245	-	-
Credit to cardholders and merchants, net	(271)	(492)	(1,575)
Acquisition of buildings and equipment	(56)	(47)	(279)
Net cash flows used in investing activities	(82)	(539)	(1,797)
Cash flows from financing activities:			
Dividend paid to shareholders	(74)	-	(420)
Receipt of long-term credit from banks	-	270	800
Repayment of long-term credit from banks	(208)	(293)	(282)
Short-term credit from banks, net	(108)	351	1,201
Redemption of subordinated notes	-	(7)	(7)
Net cash flows provided by (used in) financing activities	(390)	321	1,292
Increase in cash and cash equivalents	7	49	*-
Effect of exchange rate fluctuations on cash balances	2	1	(3)
Cash and cash equivalents at beginning of year	54	57	57
Cash and cash equivalents at end of period	63	107	54
Interest received	237	167	738
Interest paid	(44)	(6)	(70)
Dividends received	*-	*-	2
Taxes on income received	9	11	15
Taxes on income paid	(44)	(102)	(258)

* Represents an amount of less than NIS 1 million.

(1) Non-cash investing activities in the reporting period: proceeds from sale of building in an amount of NIS 100 million.