



Financial Statements

as of March 31, 2023

Disclaimer

Without derogating from the generality of the provisions contained in the Terms of Use as published on the website of The First International Bank of Israel Ltd. (the “Bank” and/ or “FIBI”), this presentation and its contents were prepared by the Bank for its exclusive use as part of the presentation of its Quarterly and/or Annual Financial Statements.

This presentation does not constitute, and is not to be interpreted as, an offer or solicitation to purchase securities of the Bank or of the Bank Group. The presentation is exclusively intended for purposes of providing information. The information contained herein is partial, is presented in concise form for convenience only, and is not intended to replace the need to read the reports of the Bank to the Israel Securities Authority and to the Tel Aviv stock Exchange Ltd., including the Annual, Quarterly and Immediate Reports of the Bank.

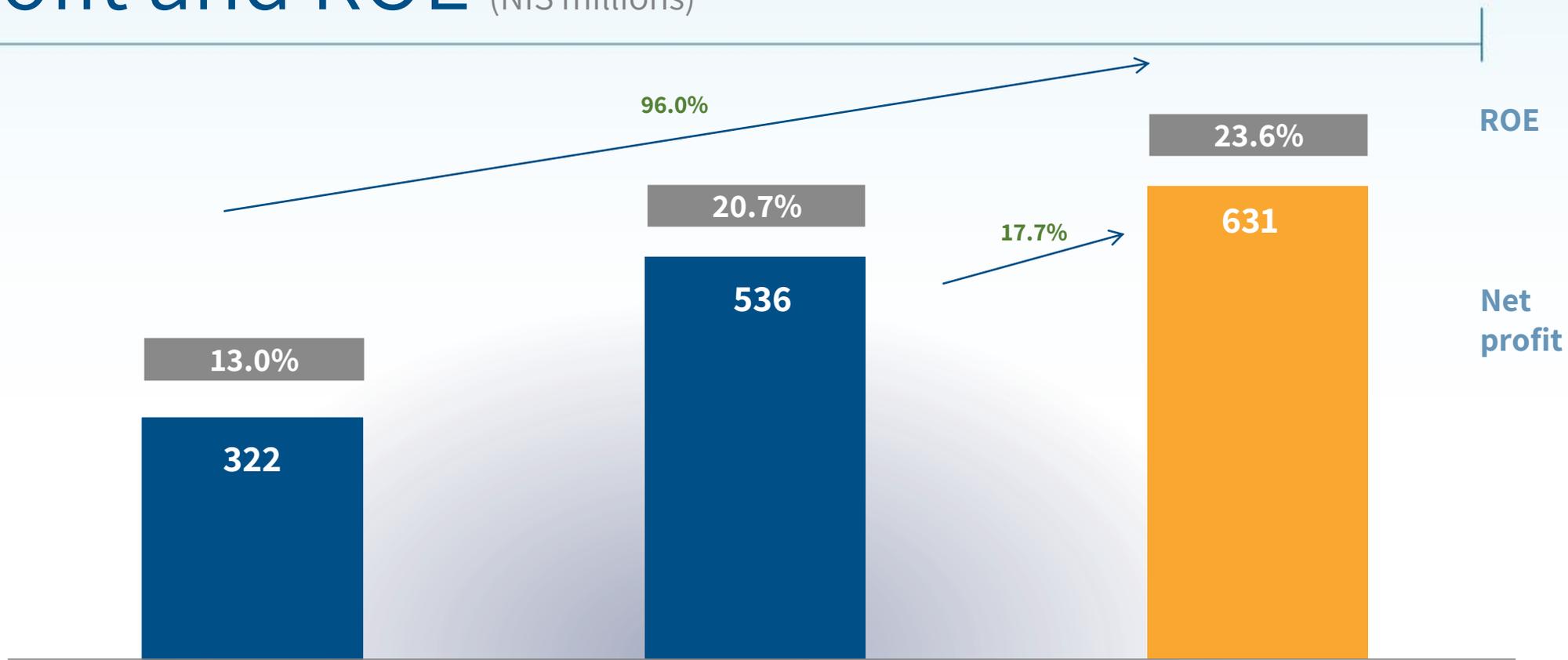
This presentation should not be relied upon in connection with any transaction, contract, undertaking or investment. The information contained herein does not constitute advice, a recommendation or the rendering of an opinion regarding the advantageousness of investment and does not replace an independent examination and the professional advice of a duly licensed expert investment consultant.

The Bank makes no warranty nor covenant with respect to the completeness, accuracy or truth of the information contained in this presentation. The Bank, its employees, its officers or its shareholders bear no liability for any damage and/or loss, direct or indirect, caused or which may be caused as a result of use of the information contained in this presentation.

The Bank shall not be liable for updating, and undertakes no obligation to update, the information contained in this presentation for any future change in economic, financial or legal conditions pertaining to the Bank and to any corporation and/or entity mentioned in this presentation, which may occur after the publication of this presentation.

Part of the information contained in this presentation constitutes forward-looking information. Such information includes forecasts, goals, estimates and assumptions based on the opinion of Bank Management, which relate to future events or matters, the materialization of which is uncertain and is beyond the Bank’s control. Actual results may materially differ from those included in the forward-looking information as a result of numerous factors, including, inter alia, legislative changes and changes in the directives of supervisory authorities, economic developments, and changes in and the inherent uncertainty involved in the Bank's business and the results of its diverse activities. For a detailed and accurate description of forward-looking information, see the section on forward-looking information in the financial statements of the Bank.

Net Profit and ROE (NIS millions)



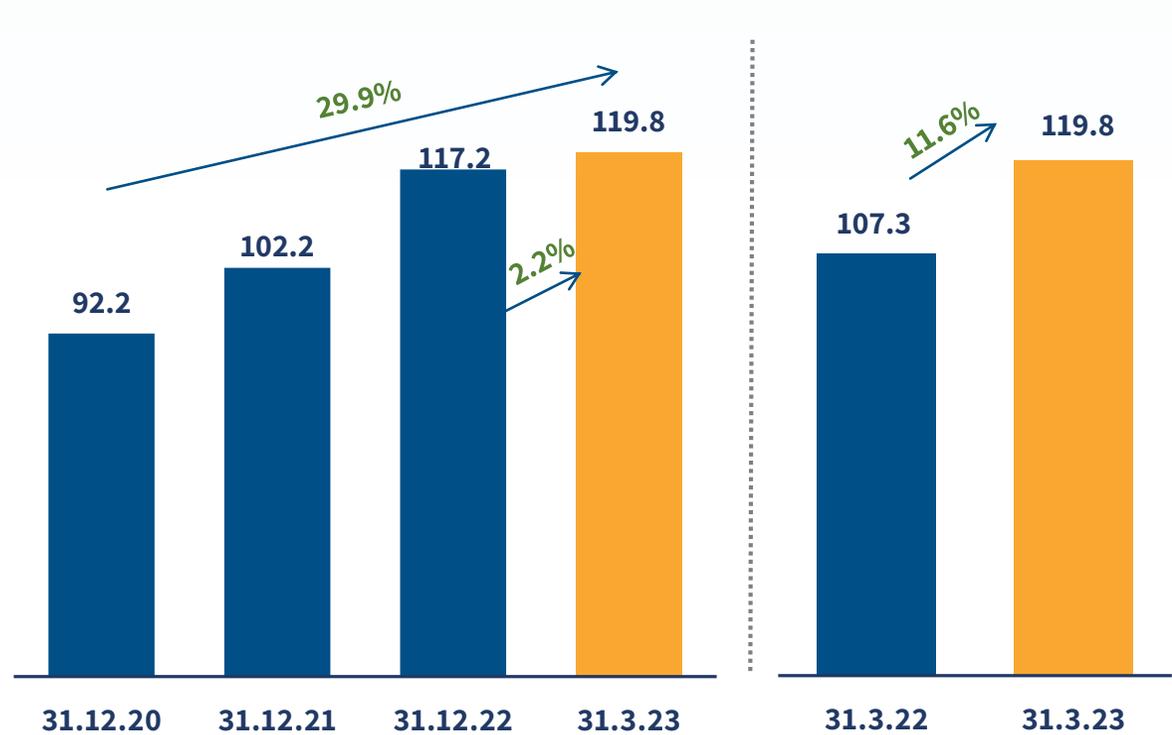
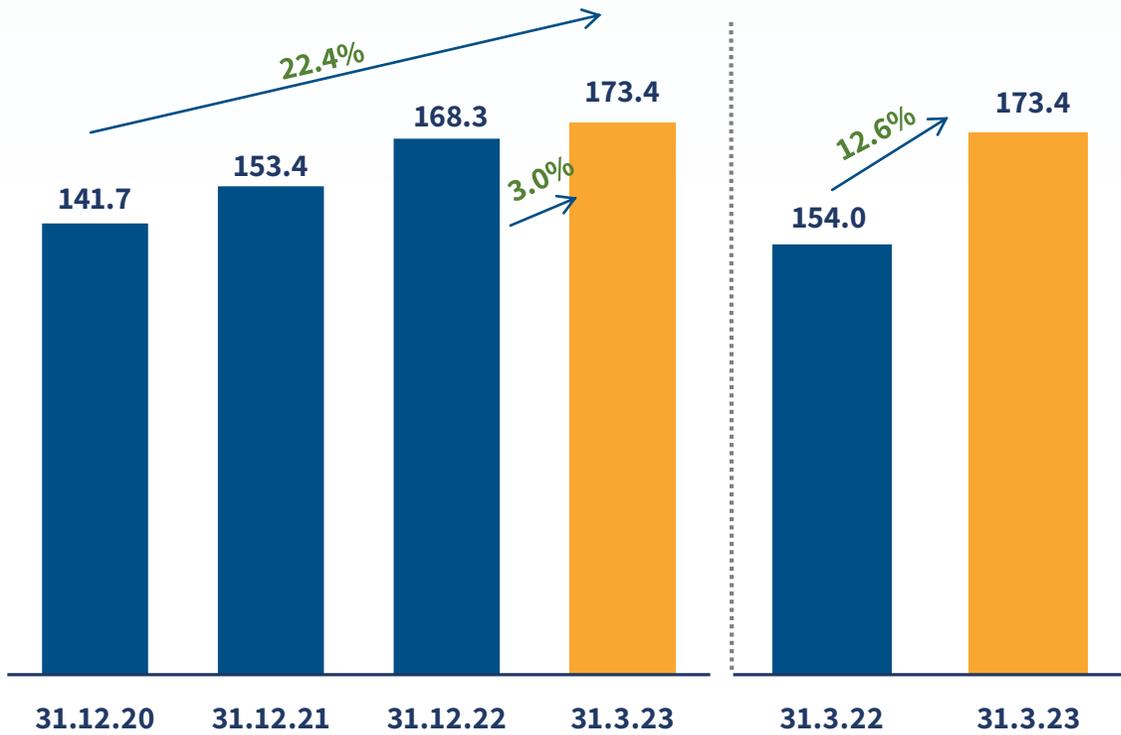
Tier 1 capital ratio
BOI interest (average)

Period	Q1.2022	Q4.2022	Q1.2023
Tier 1 capital ratio	10.79%	10.42%	10.55%
BOI interest (average)	0.1%	2.89%	3.92%

Growth

Deposit growth (NIS billions) - end of period

Total **credit** to public (NIS billions) -end of period



Principal Information Q1.2023

Profitability

Net profit growth

631 **96%**
Q1.2023 change



Revenue growth

1,700 **45%**
Q1.2023 change



Financing income growth

1,311 **69%**
Q1.2023 change



Commission income growth

388 **1%**
Q1.2023 change



Growth

ROE

23.6% 13.0%
Q1.2023 Q1.2022



Credit growth

11.6% 2.2%
Compared to 31.03.22 Compared to 31.12.22



Deposit growth

12.6% 3.0%
Compared to 31.03.22 Compared to 31.12.22



Private deposit growth

6.4% 1.6%
Compared to 31.03.22 Compared to 31.12.22



Efficiency and Financial Strength

Efficiency ratio

42.6% 58.5%
Q1.2023 Q1.2022



High liquidity coverage ratio

131% 127%
Q1.2023 Q1.2022



Tier 1 capital ratio

10.55% 10.42% 10.79%
31.3.23 31.12.22 31.3.22



Total balance growth

NIS billions
204.3 **12.3%**
Compared to 31.03.22 change



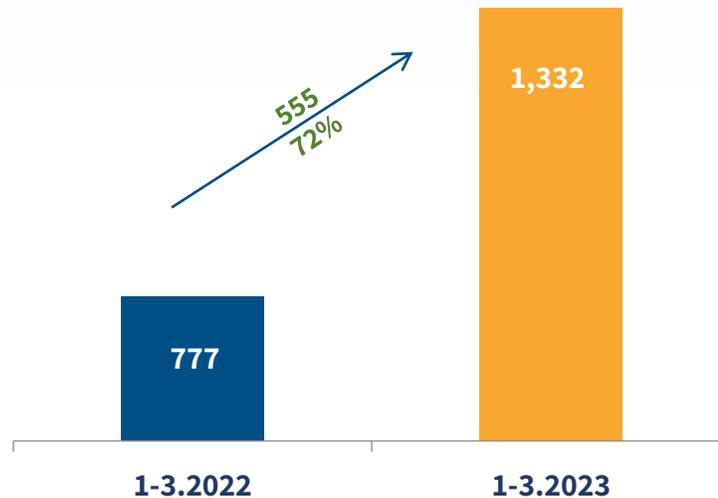
Condensed Income Statement Q1.2023

(NIS millions)	Q1.2023	Q1.2022	Change (before taxes)	% change
Interest income, net	1,275	744	531	71.4%
Non-Interest financing income	36	34	2	6.8%
Net financing income	1,311	778	533	68.6%
Credit loss expenses (comprising a rate of 0.25%, no expense was recorded in the corresponding period)	72	-	72	-
Fees	388	384	4	1.0%
Total income (before provision for credit losses)	1,700	1,170	530	45.3%
Total operating and other expenses	724	684	40	5.9%
Profit before taxes	904	486	417	85.8%
The Bank's share in earnings of ICC The Bank's share in earnings of I.C.C. (growth in the Bank's total share is mainly attributed to gains from the sale of ICC's building)	65	17	48	273.9%
Attributed to shareholders of the Bank	631	322	309	95.8%

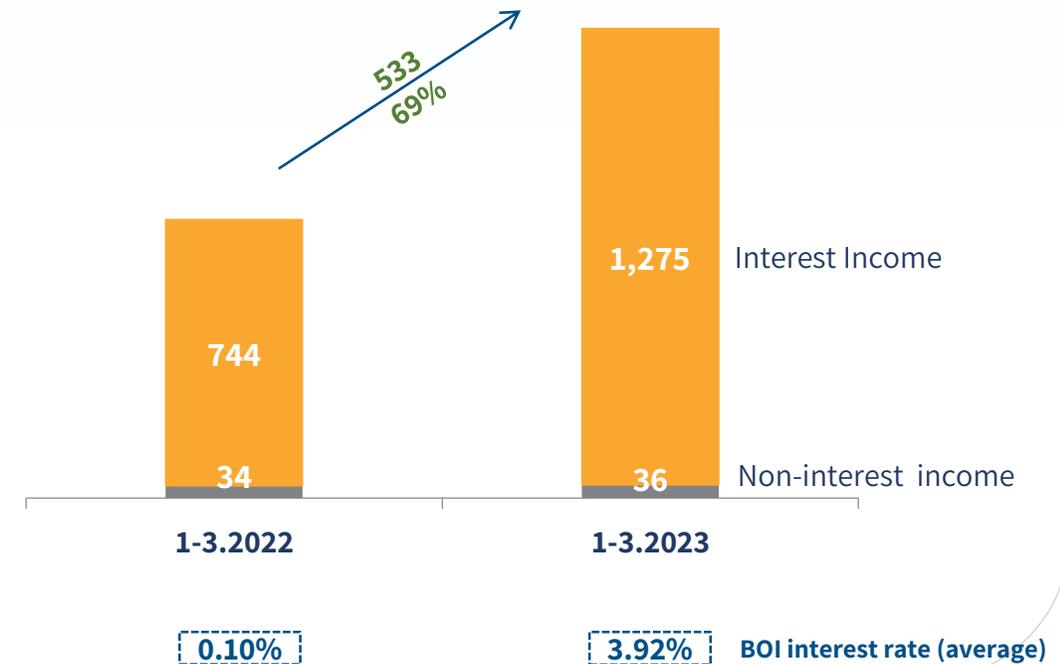
Net Financing Income

(NIS millions)

Financing income from current activities*
(excluding fair value of derivative instruments and investment income)



Interest and non-interest income



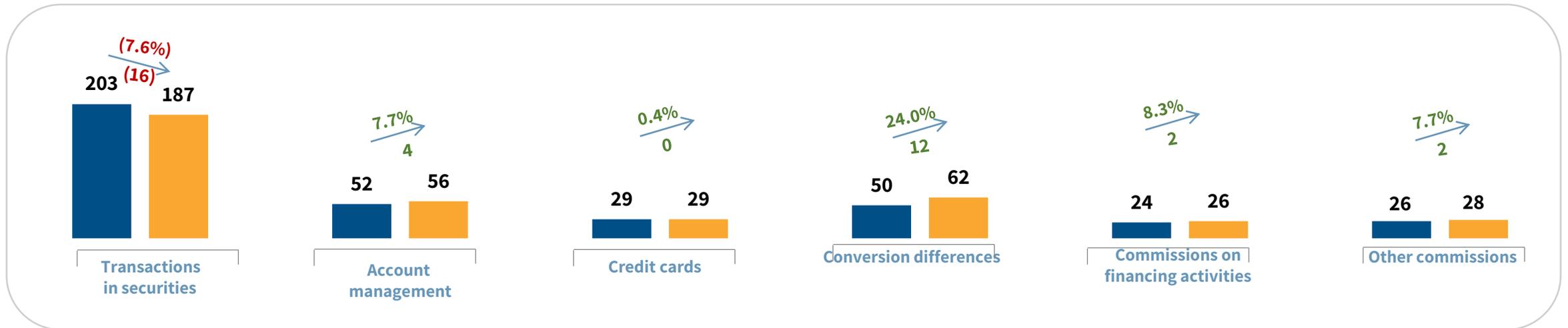
* Excluding non-current activities, mainly due to a decline in revaluation gains and realization of Nostro account (an impact of NIS 29 million)

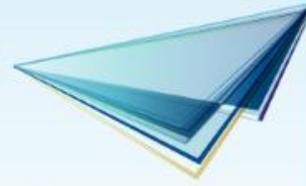
Main Commissions

Q1.2023 compared to Q1.2022 (NIS millions)



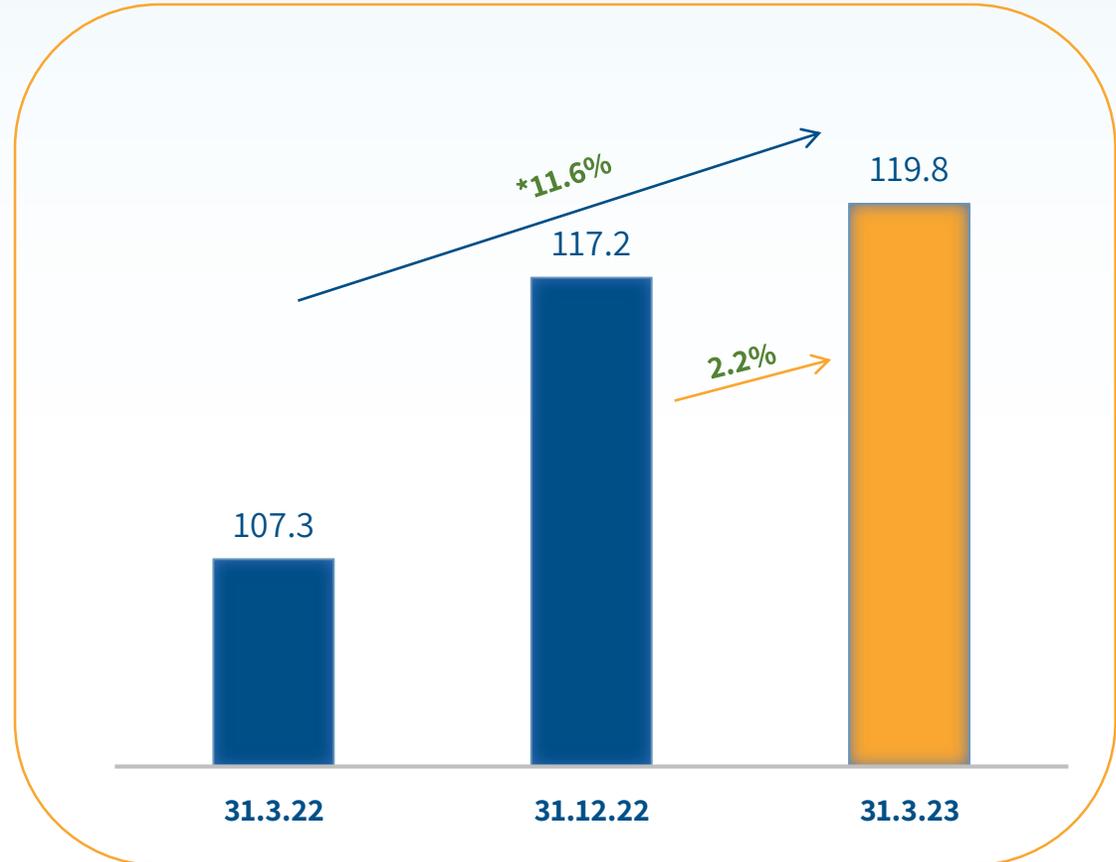
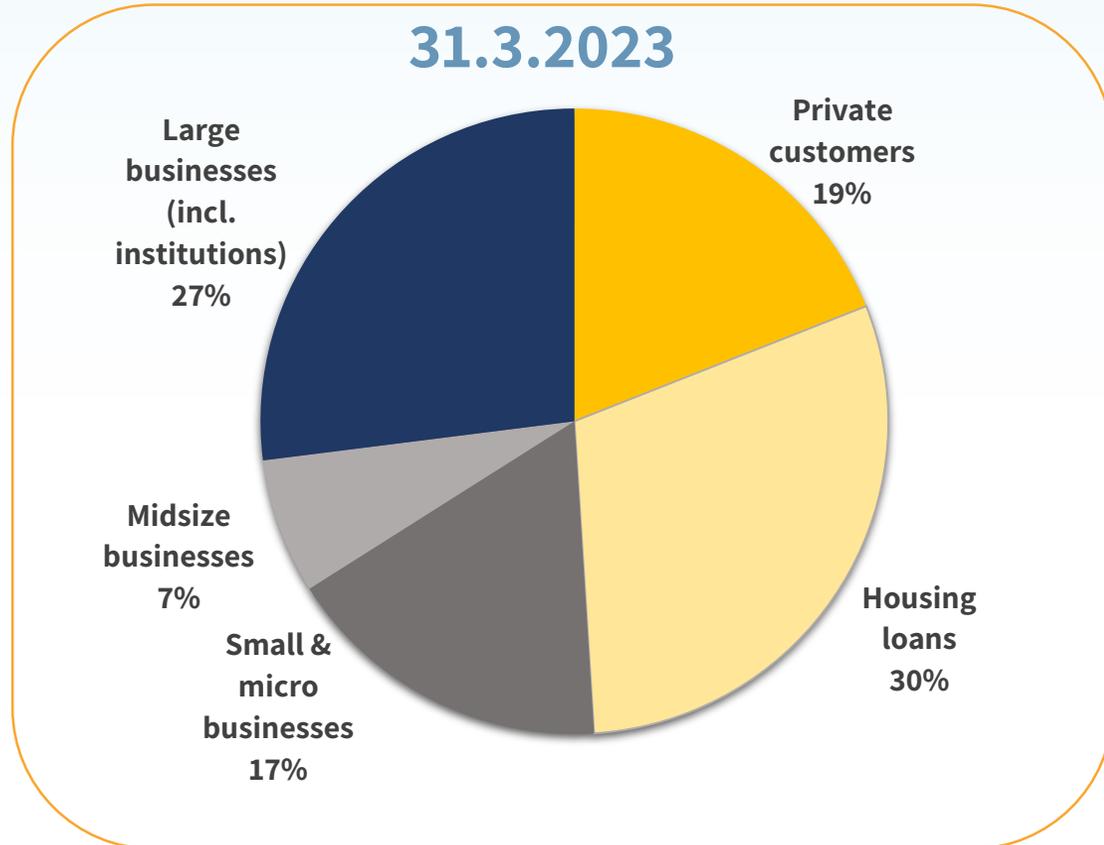
Q1.2023 ■
Q1.2022 ■





Credit Portfolio Growth

End of period (NIS billions)

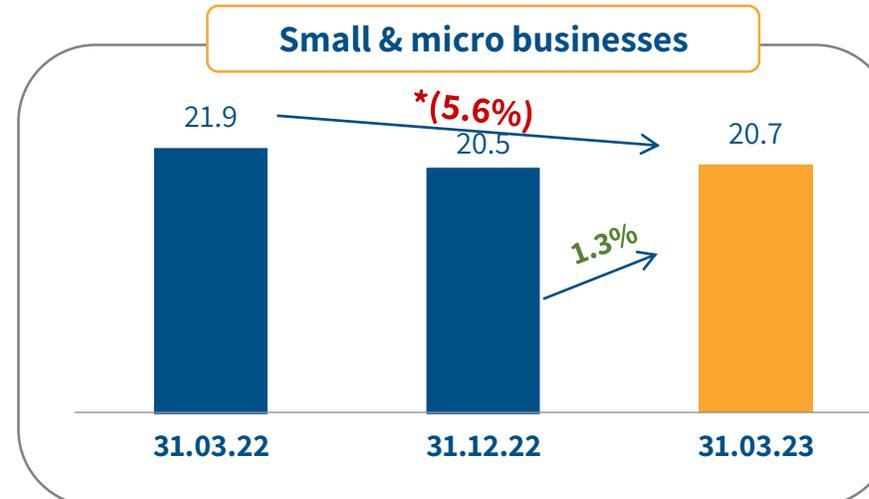
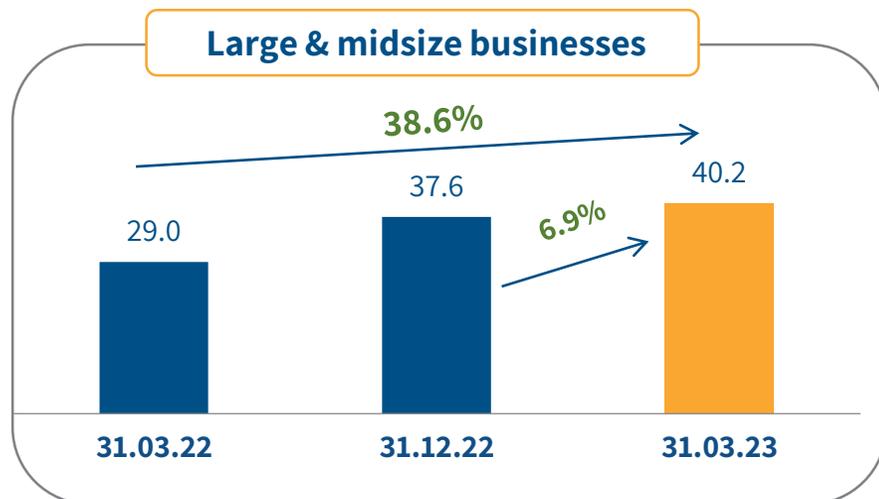
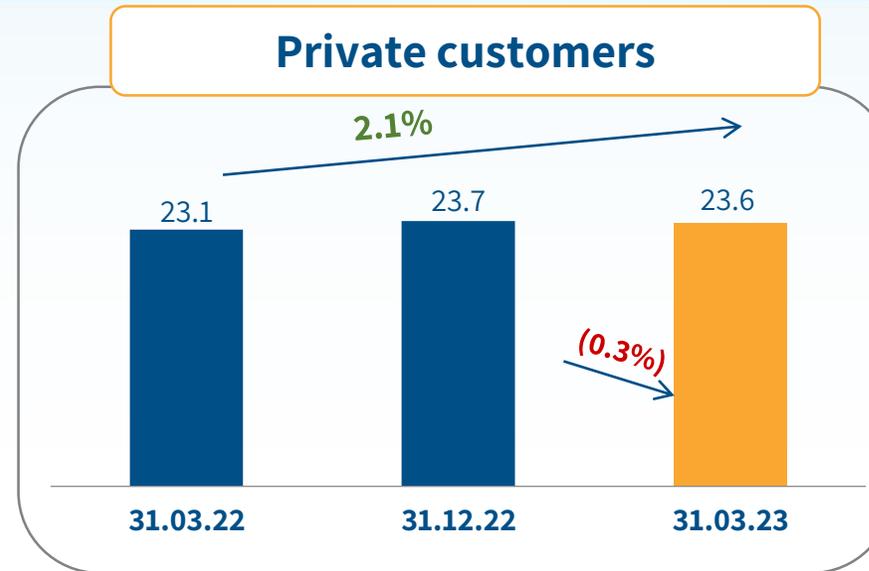
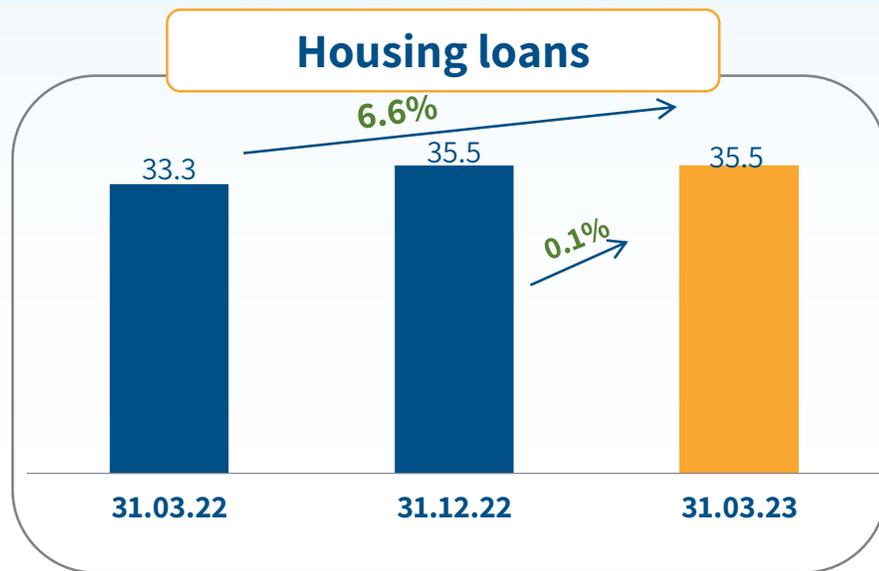


High quality, diversified credit
Housing loans & households comprise 49% of credit portfolio

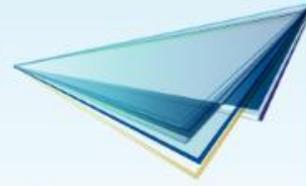
***Total average credit balance** increased by **13.7%** in Q1-23 (NIS 14.1 billion) compared to Q1-22.

Credit Portfolio Growth

End of period (NIS billions)

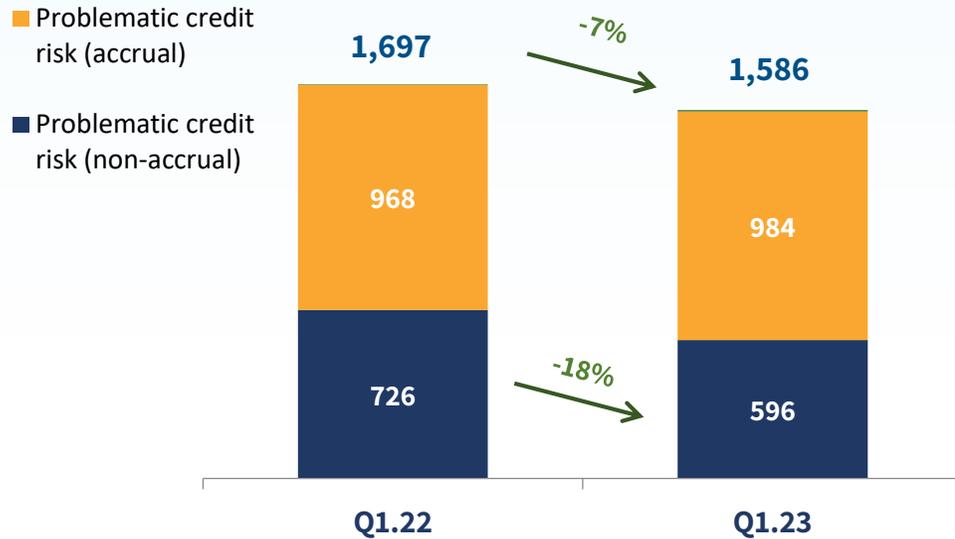


* Excluding movement of balances between segments, an increase is recorded



Credit Quality and Problematic Credit Risk

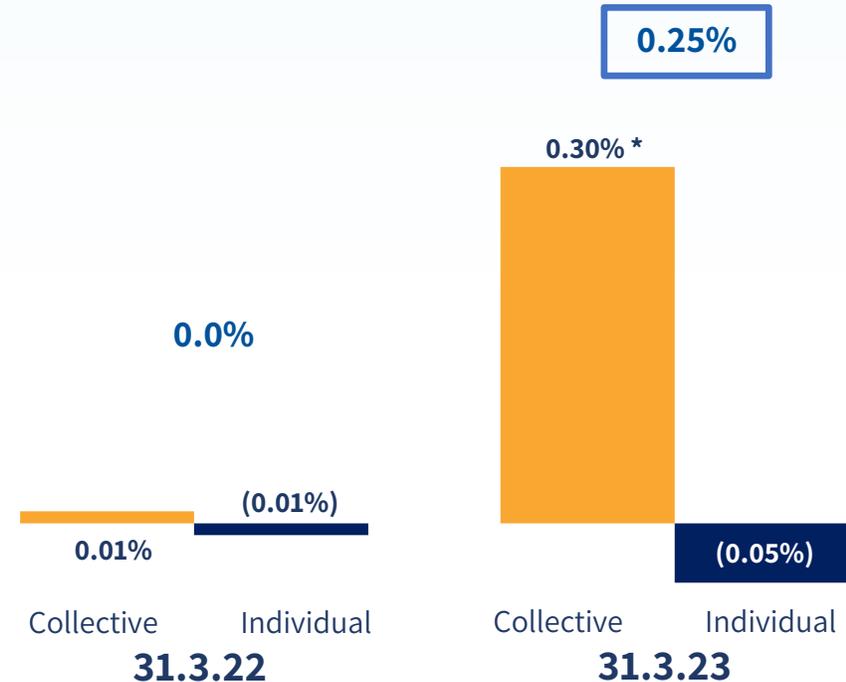
Problematic credit risk (NIS millions) and credit quality indices



	31.3.22	31.3.23
Ratio of provision for credit losses to credit to the public - allowance buffers	1.14%	1.16%
Ratio of non-accrual debts or debts in arrears of 90 days or more credit to the public (NPL)*	0.60%	0.47%

*Low=good

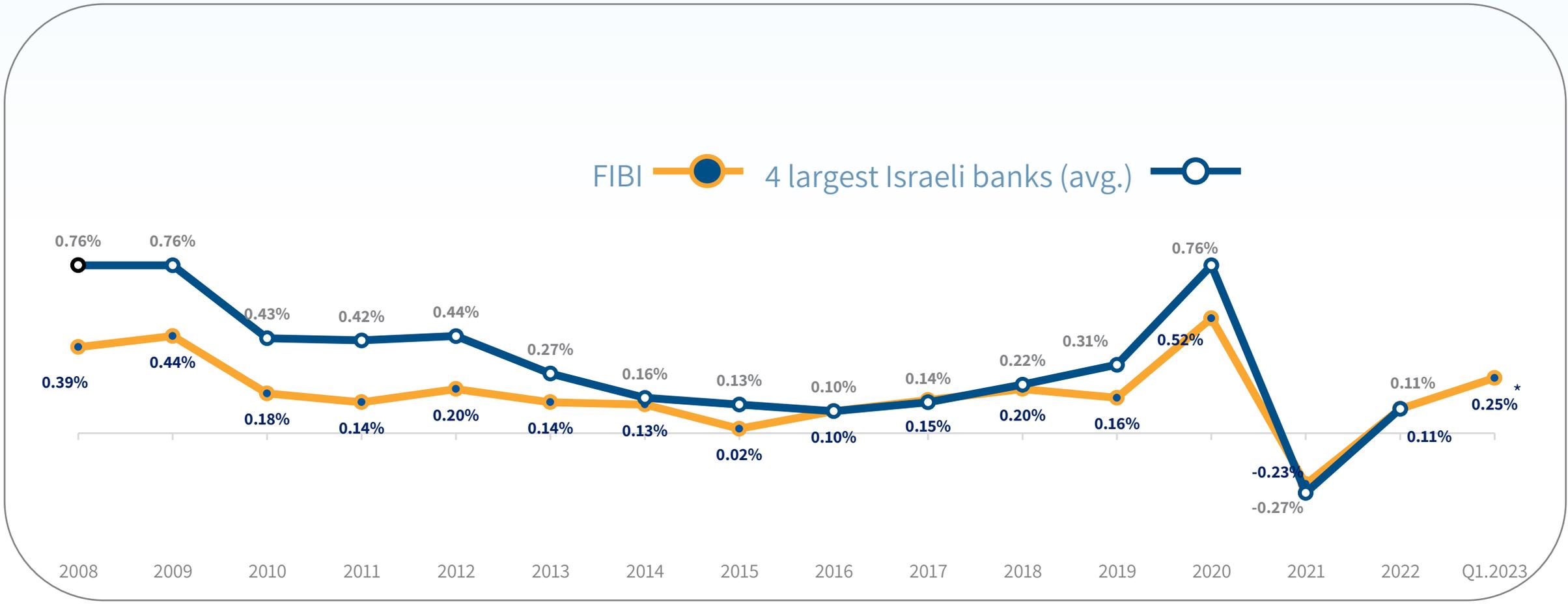
Individual and collective expense (income) rates in respect of credit losses



*An increase of NIS 86 million in the collective provision, largely due to higher capital buffers following concerns as to the impact of macroeconomic projections considering the economic uncertainty, among other things in light of interest rate hikes, geopolitical developments in Israel and globally, and the probability of an economic downturn.

Ratio of expenses (income) from credit losses to average total credit

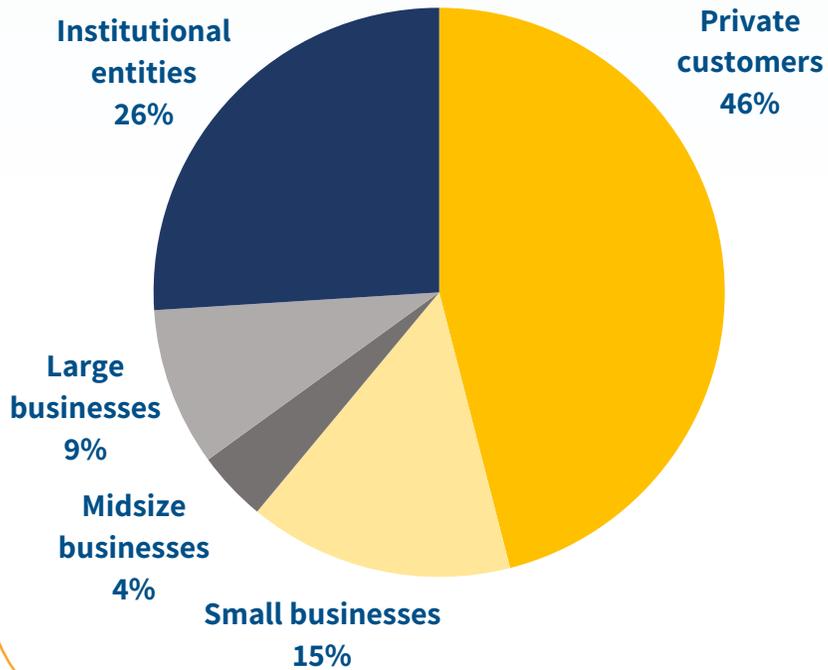
FIBI's moderate credit policy resulted in lower provision rates



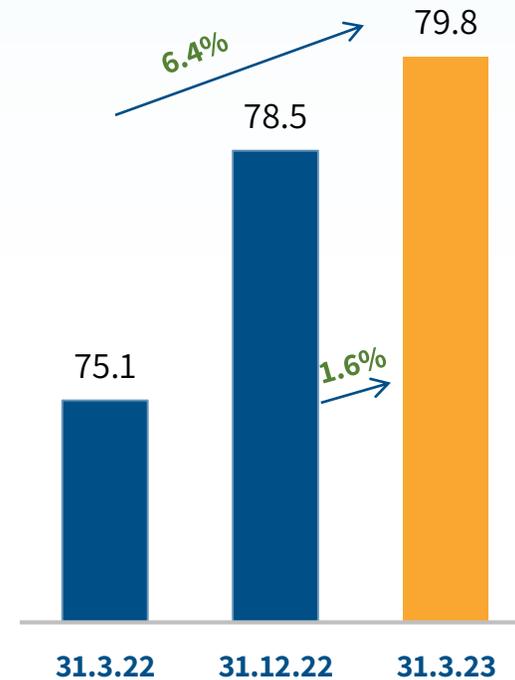
Deposit Growth

End of period (NIS billions)

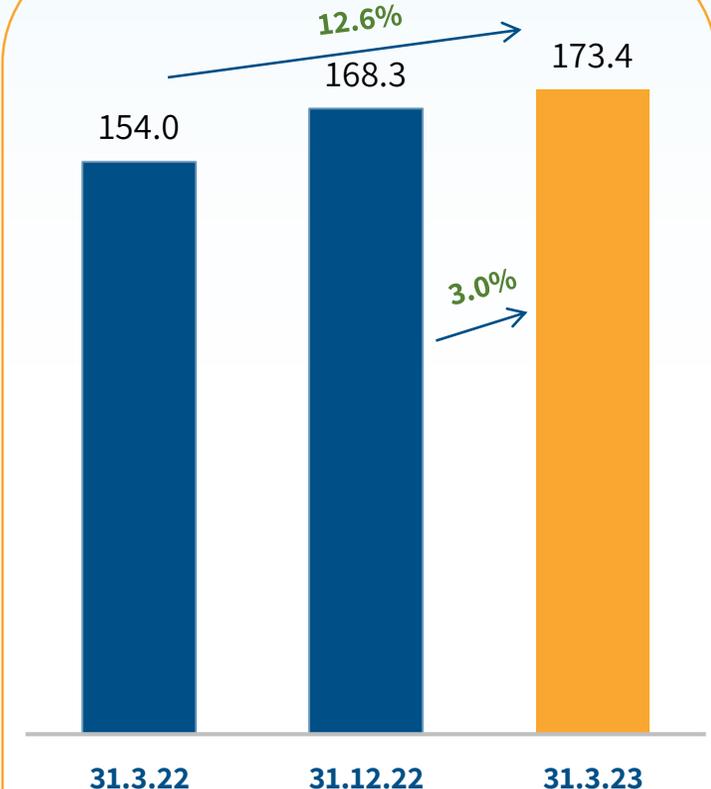
31.3.23



Private



Total Public



Diversified deposit portfolio- **61%** private customers and small businesses

Financial Strength

	31.12.22	Positive gap above the regulatory requirement	31.3.23
Tier 1 capital ratio	10.42%	1.31%	10.55%
Total capital ratio	13.75%	1.36%	13.86%
Liquidity ratio	127%	31%	131%
Total deposit to credit balance	145%	-	146%
Leverage ratio*	5.19%	0.65%	5.15%

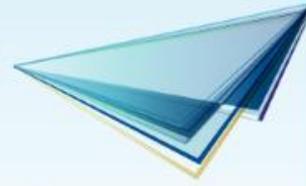
Bank's rating :

- Maalot (S&P)(AAA)
- Midroog (Aaa)
- Moody's (A2)

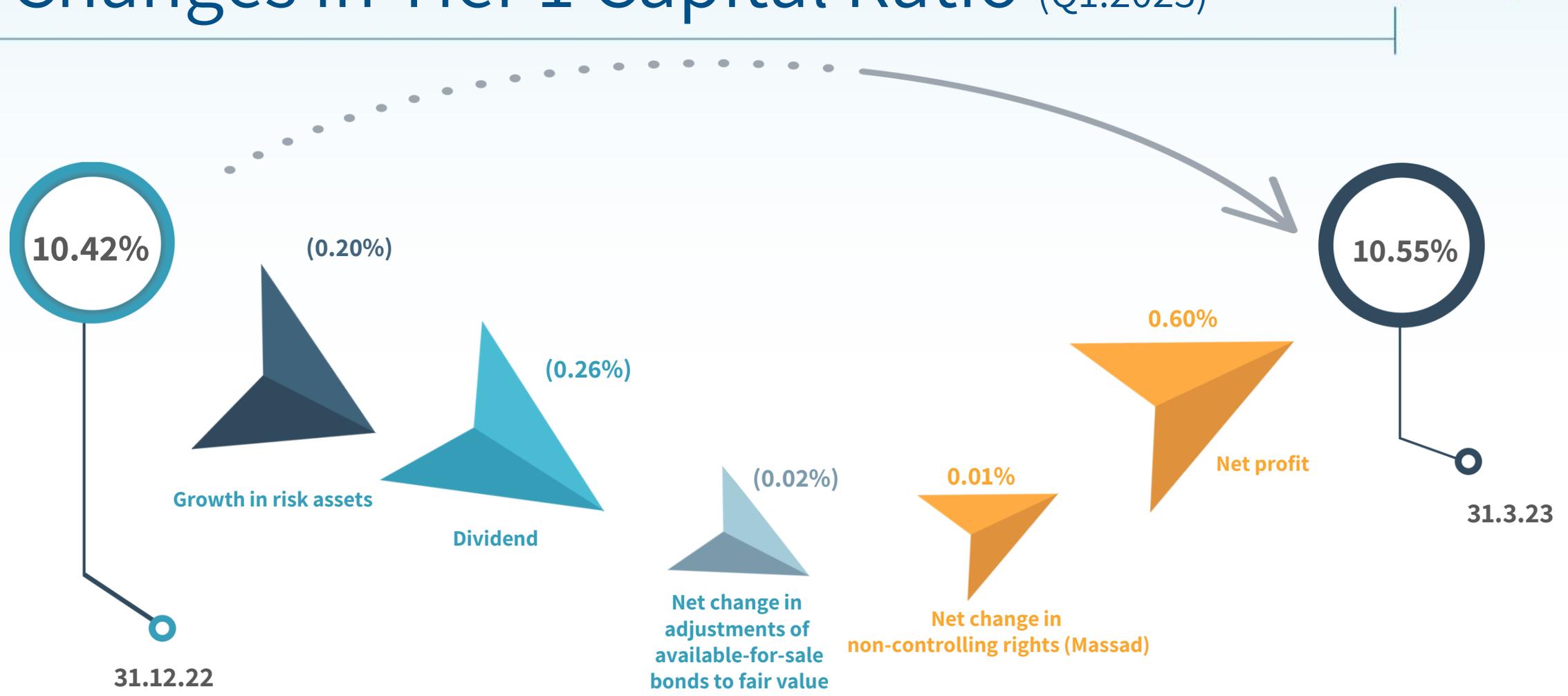
Credit quality:

- The Bank maintains a moderate credit policy – high-quality, diversified credit portfolio
- NPL -0.47%

* As of March 31, 2023, cash balances in the BOI totaled NIS 55 billion. Leverage ratio excluding deposits at the BOI – 6.9%



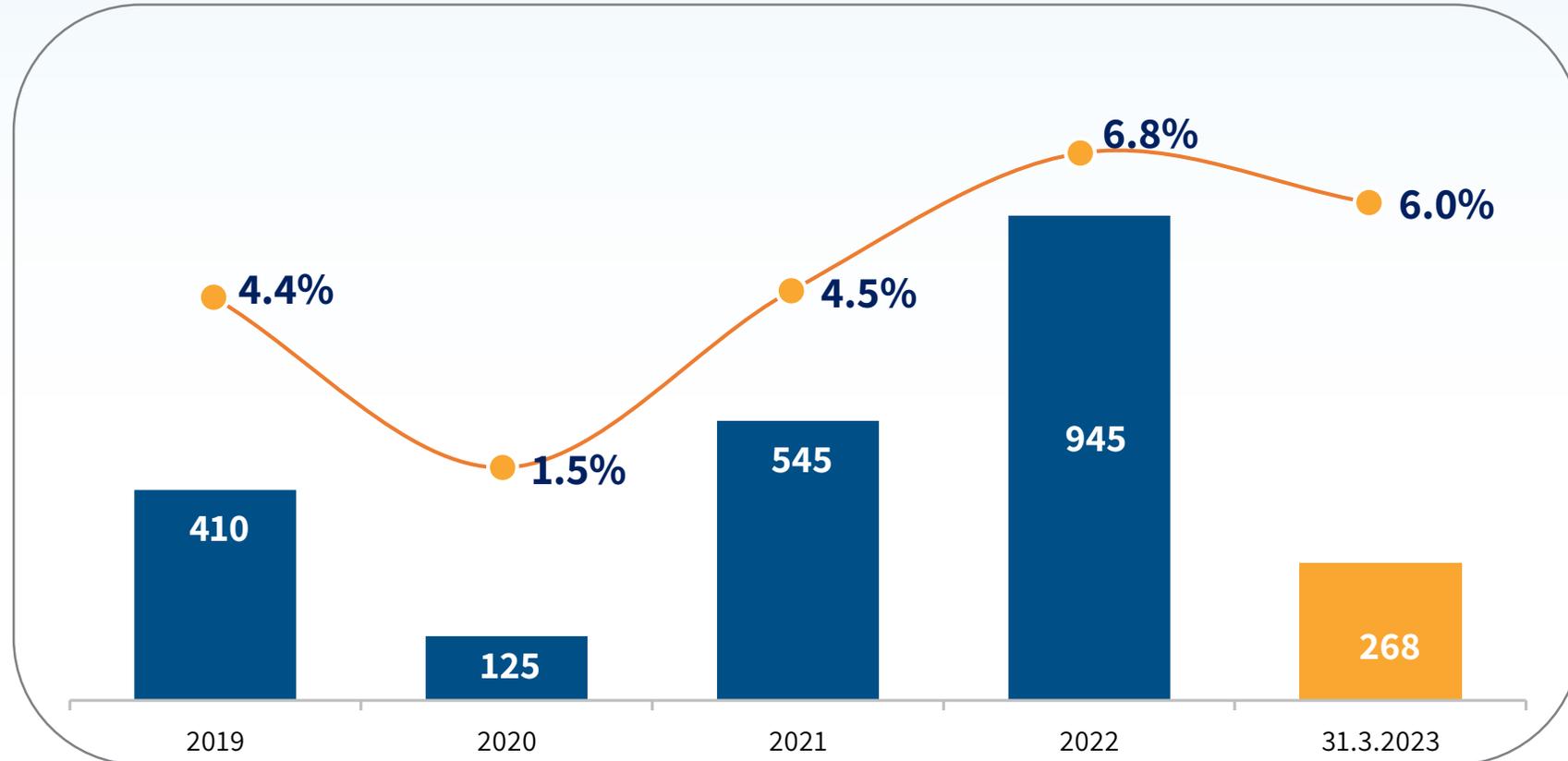
Net Changes in Tier 1 Capital Ratio (Q1.2023)



Total capital attributed to shareholders of the Bank as of 31.3.23 is NIS 10,888 million, an increase of NIS 329 million since the beginning of the year

High Dividend Yield

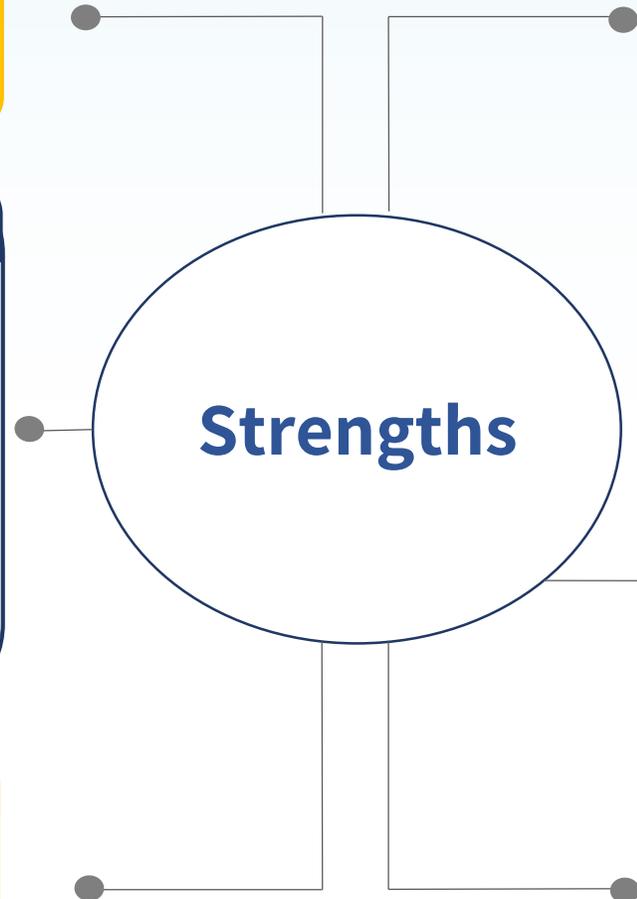
(NIS millions)



Since the Bank's policy calls for an annual distribution of up to 50% of annual net income, and mainly in light of the current uncertainty in Israeli and global markets, on May 17, 2023, the Board of Directors of the Bank decided to approve a cash dividend to shareholders totaling NIS 220 million, constituting 35% of the net profit for Q1 2023.

Securities Portfolio

	31.3.23			31.12.22			Change %
	Book value (NIS millions)	Duration	%	Book value (NIS millions)	Duration	%	
A . Bonds held to maturity	3,350	3.61	17%	3,138	3.67	20%	7%
Of which: Israel government (95%)	3,181	3.61	16%	2,941	3.64	18%	8%
B . Bonds available for sale	15,619	1.73	79%	12,401	2.12	77%	26%
Of which: Israel government (52%)	8,199	2.42	42%	8,041	2.67	50%	2%
Of which: US government (43%)	6,721	0.62	34%	3,683	0.72	23%	82%
C . Investment in not-held-for-trading securities	413		2%	444		3%	(7%)
D . Held-for trading securities	374		2%	27		0%	-
Total securities	19,756	2.0	100%	16,010	2.43	100%	23%



Leadership in capital market services

- No. 1 in trading volumes on the TASE
- Management of a client asset portfolio of NIS 560 billion (securities and deposits)

Innovation and digitization in the capital market

The Bank invests in the development of advanced technology tools and diverse trading possibilities:

- IPO subscription, premarket trading, hedge fund trading and mutual fund trading, and soon – after-hours trading.
- **AI reports:** An advanced service from BridgeWise that enables automatic equity analysis of over 40,000 publicly traded companies worldwide using AI.
- **Advise.me:** A personalized stock advisory mobile app.
- **FIBI Wise:** An advanced personal financial management and planning tool, the first of its kind in Israeli banks, offering family office services to individual clients.

Specialization in capital market operations services

The Bank specializes in capital market operations services and is growing in Banking-as-a-Service activities, mainly for institutions and funds.

Leadership and focus on retail banking, including growing niches

By providing high-quality retail service to all clients, including high-net-worth individuals, the security forces, teachers, the ultra-Orthodox and Arab sectors (through Bank Massad), the Bank drives continuous growth.

- **The Bank won the Ministry of Defense tender** for the provision of banking services to the security forces, for the continued operation of branches at IDF bases for another decade. Previously, the Bank won a tender for the provision of banking services to **the teacher community** at Bank Massad.

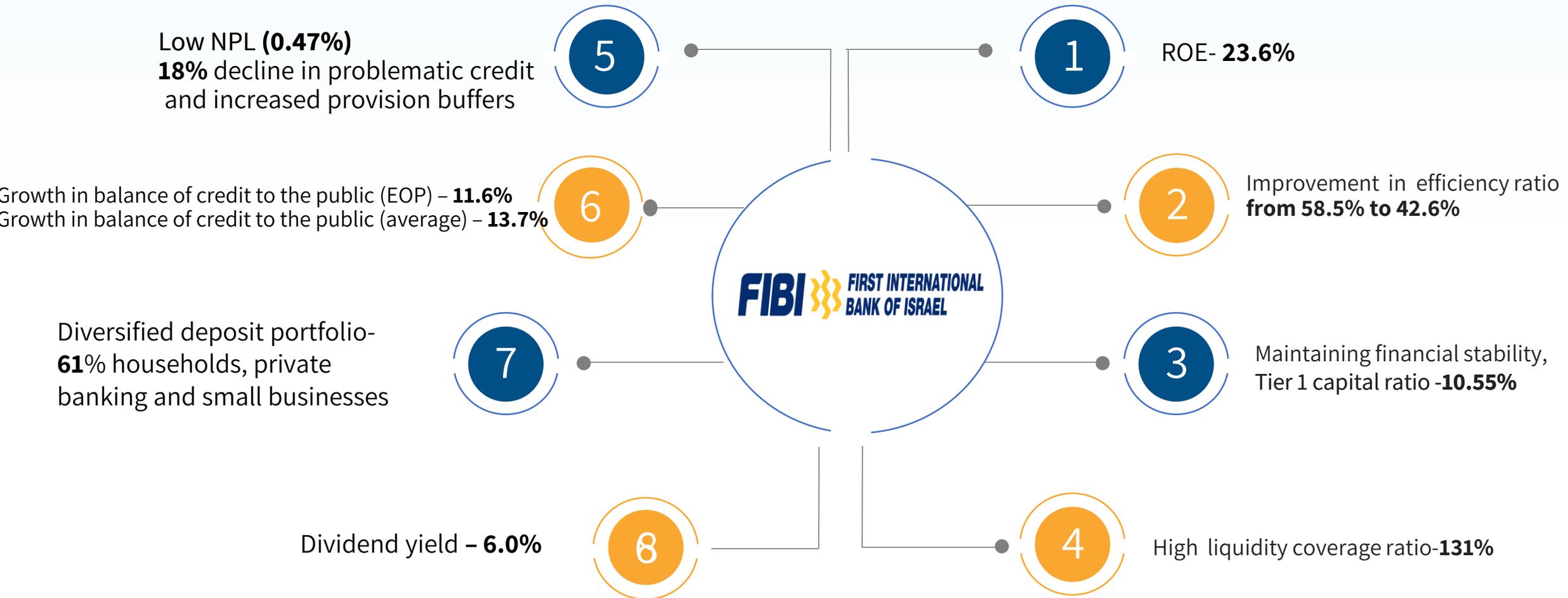
High market shares and specialization in:

- Private banking, retail banking and SME banking
- Forex dealing rooms
- Foreign and Israeli securities
- Foreign trade
- Factoring

Wealth Management

The Bank specializes in wealth management, and as part of its strategic leadership in capital market and private banking services, offers clients a diverse wealth management service package.

Key Highlights- Q1.23 compared Q1.22





Thank You