



# Financial Statements

## as of June 30, 2022

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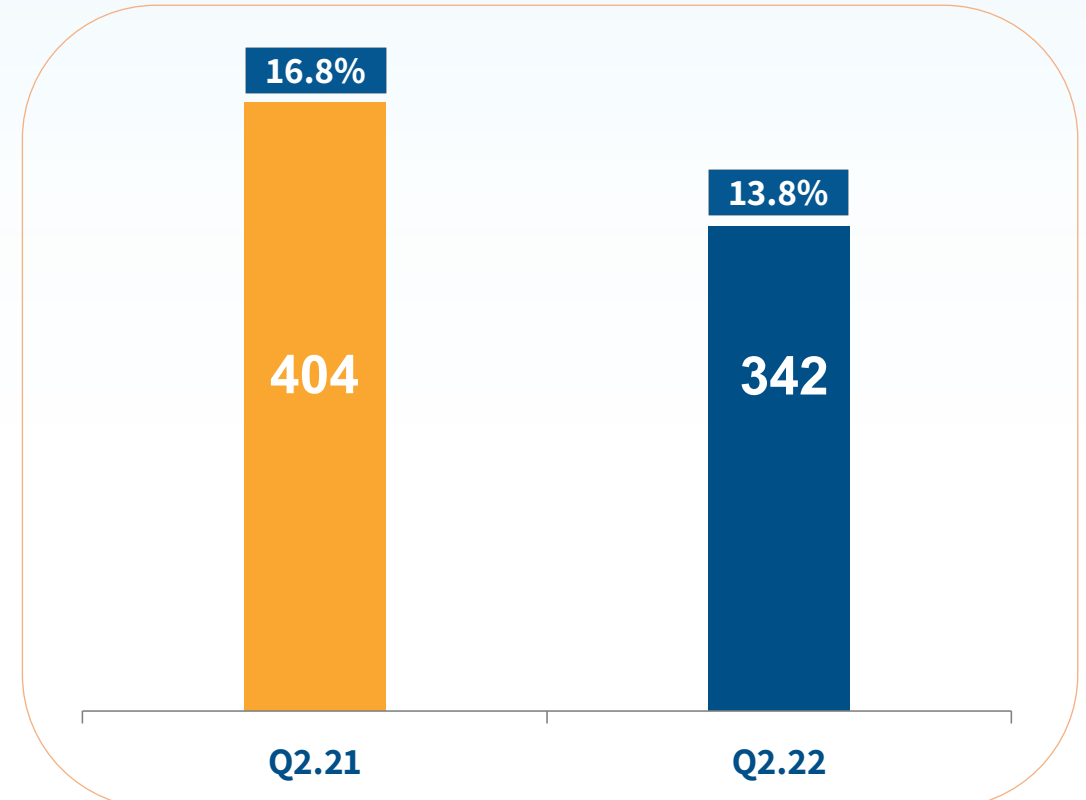
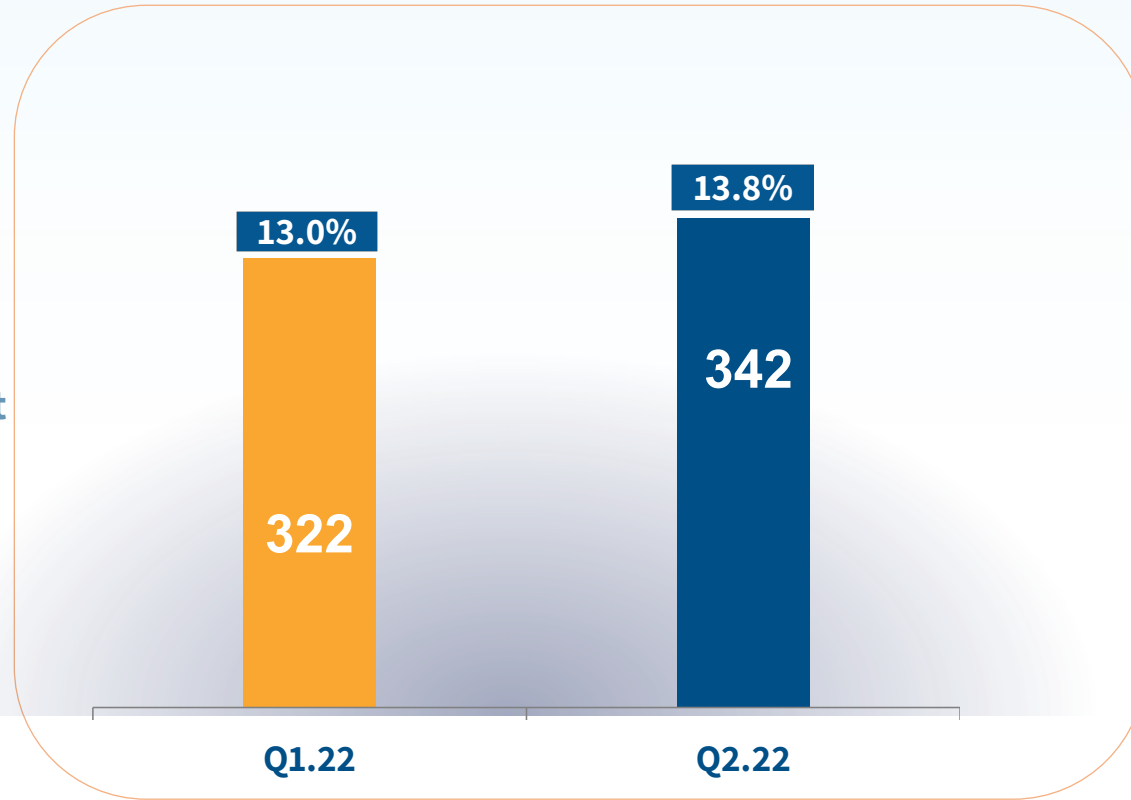
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# Net profit and ROE (NIS millions)

ROE

Net  
Profit



# Principal information Q2.2022 (quarter on Parallel)

## Growth

### Income **growth**

1,208  
Q2.22

**6.4%**  
change



### Interest income **growth**

859  
Q2.2022

**21%**  
change



### Financing earnings from current activities **growth**

898  
Q2.2022

**24%**  
change



### Commission income **growth**

371  
Q2.2022

**6.0%**  
change



### Credit **growth** (end of period)

**18.3%**  
Last year\*

**6.1%**  
Q2.22\*\*



### Deposits **Growth** (end of period)

**12.5%**  
Last year\*

**6.8%**  
Q2.22\*\*



### Total balance **Growth**

**11.0%**  
Last year\*

**5.5%**  
Q2.22\*\*



## Efficiency and Financial Strength

### Expenses

**+1.5%**  
Last year\*

**-3.2%**  
Q2.22\*\*

662  
Q2.22



### Improvement in efficiency ratio

57.5%  
Q2.21

**54.8%**  
Q2.22



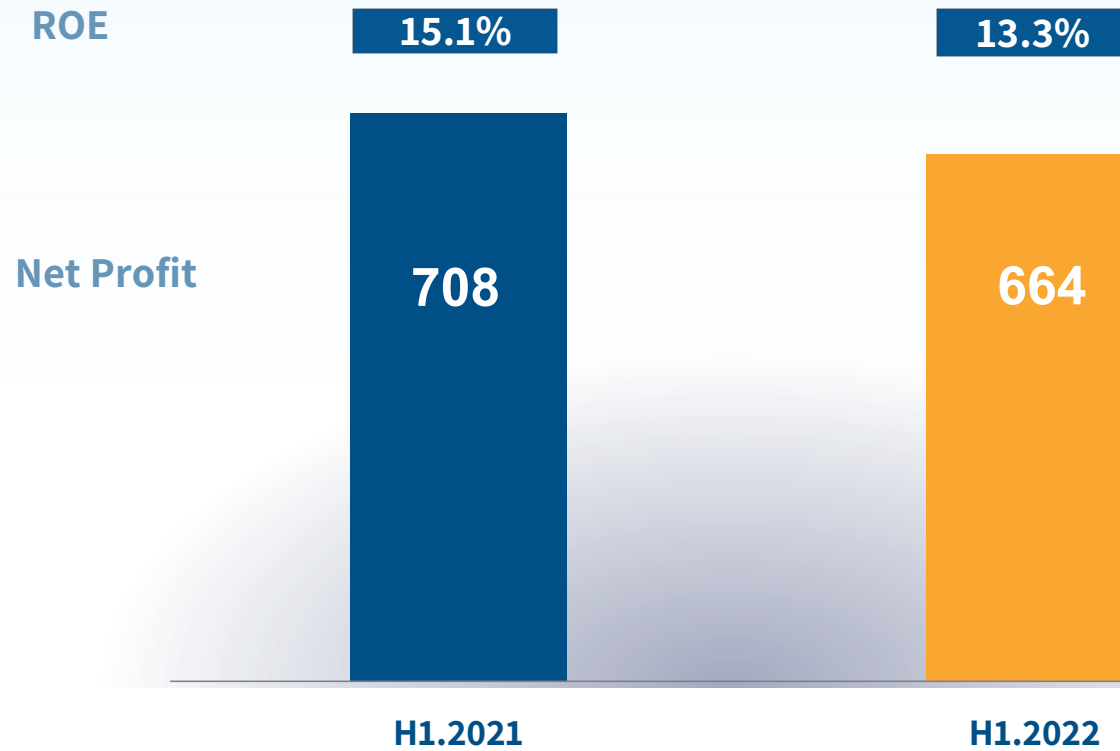
### Income (expenses) from credit losses

(0.55%)  
Q2.21

0.11%  
Q2.22



# Net profit and ROE (NIS millions)



# Principal information H1.2022 (Half on Parallel)

## Growth

### Income **growth**

2,378  
H1.2022

**5.9%**  
change



### Interest income **growth**

1,603  
H1.2022

**16.2%**  
change



### Financing earnings from current activity **growth**

1,695  
H1.2022

**19.2%**  
change



### Commission income **growth**

755  
H1.2022

**6.2%**  
change



### Credit **growth** (end of period)

**18.3%** **11.4%**

Last year\* H1.22\*\*



### Deposits **growth** (end of period)

**12.5%** **7.2%**

Last year\* H1.22\*\*



### Total balance **growth**

**6.4%** **11.0%**

Last year\* H1.22\*\*



## Efficiency and Financial Strength

### Expenses **growth**

1,346  
H1.2022

**2.9%**  
Last year\*



### Improvement in efficiency ratio

58.2% **56.6%**

H1.2021 H1.2022



### Income (expenses) from credit losses

(0.30%) **0.06%**

H1.2021 H1.2022



### Tier 1 **capital ratio**

**10.15%**

0.91% above Minimal ratio of capital required by the Supervisor of Banks



# Condensed statement of income - H1.2022

(NIS millions)	H1.2022	H1.2021	Change (before taxes)	% Change
Interest income, net	1,603	1,380	223	16%
Non-interest financing income	12	151	(139)	(92%)
<b>Total interest income</b>	<b>1,615</b>	<b>1,531</b>	<b>84</b>	<b>5%</b>
Income (expenses) from credit losses (expense by 0.06% Compared to income by 0.30%)	31	(137)	168*	(123%)
Fees	755	711	44	6%
<b>Total interest and non-interest income (before provision for credit losses)</b>	<b>2,378</b>	<b>2,246</b>	<b>132</b>	<b>6%</b>
Total operating and other expenses	1,346	1,308	38**	3%
<b>Profit before taxes</b>	<b>1,001</b>	<b>1,075</b>	<b>(74)</b>	<b>(7%)</b>
<b>The bank's share in profit (loss) of equity-basis investee, after taxes</b>	<b>37</b>	<b>36</b>	<b>1</b>	<b>3%</b>
<b>Attributed to shareholders of the Bank</b>	<b>664</b>	<b>708</b>	<b>(44)</b>	<b>(6%)</b>

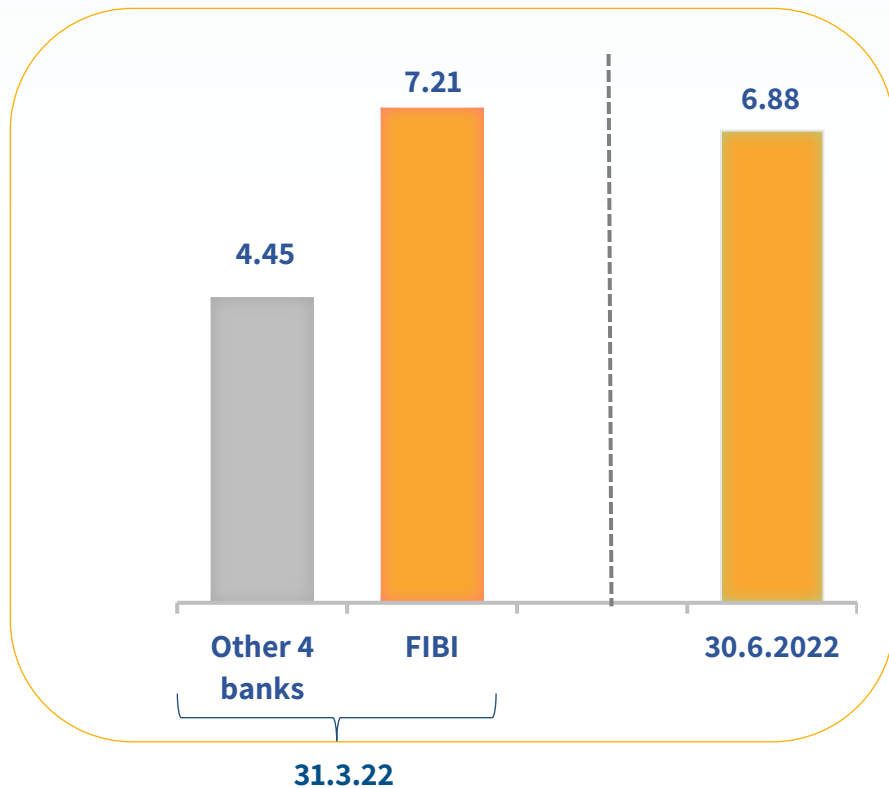
\* An increase of NIS 168 million in the provision for credit losses (NIS ~109 million, net) compared to the corresponding period last year. The increase is largely due to NIS 126 million in exceptional income from credit losses recorded last year following a reduction of the collective provision in consideration of improved economic indicators on emerging from the pandemic. In the current period, an increase in the collective provision was recorded following growth in credit portfolio.

\*\* largely due to an increase in wage costs due to the adjustment of variable compensation components and an increase in selling and marketing expenses, insurance costs and legal costs.

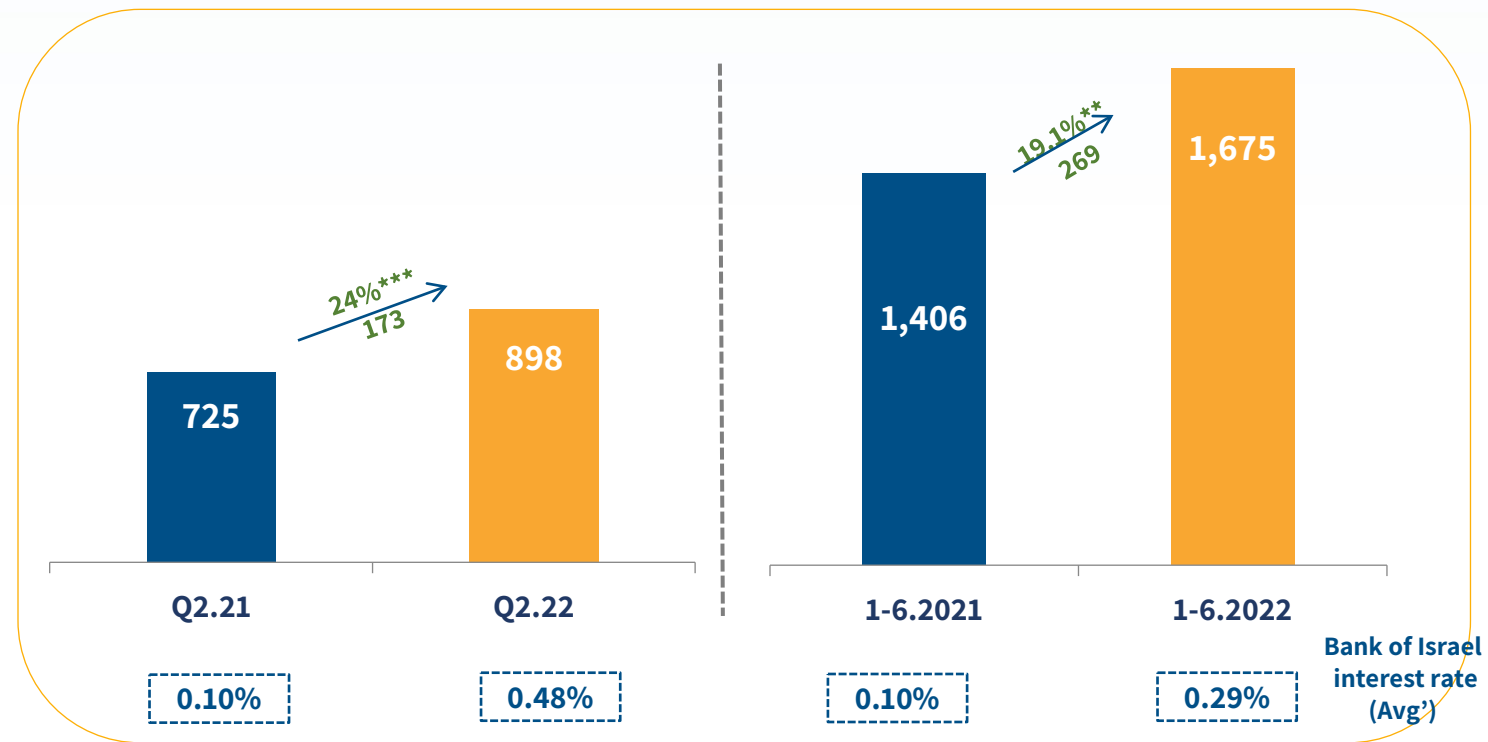


# The net financing earnings (NIS millions)

**Total demand deposits  
(non-bearing interest) to equity ratio**



**Financing earnings from  
current activities\***



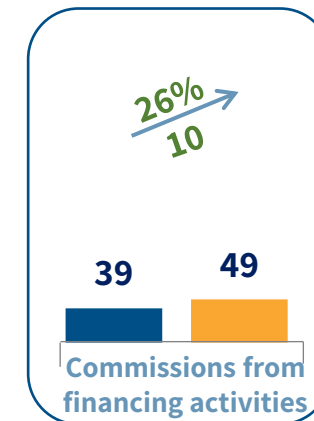
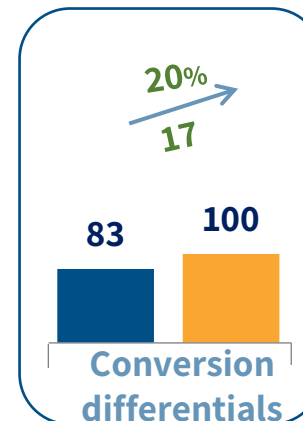
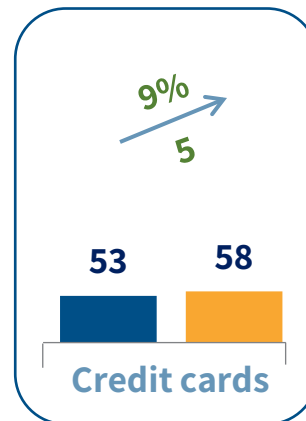
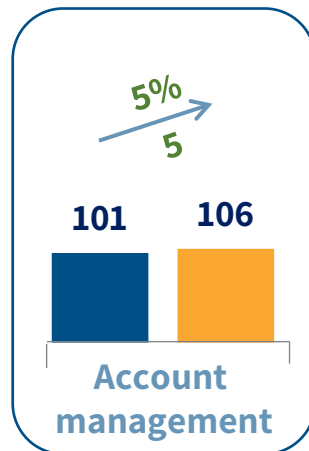
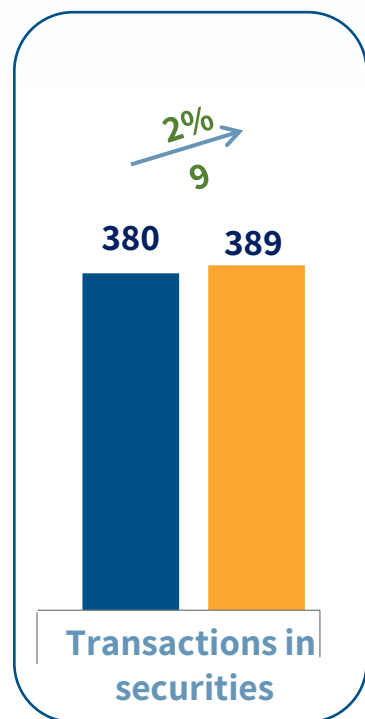
\*Financing earnings excluding fair value of derivatives and nostro realizations.

\*\*The change in the index amounted to **NIS 79 million**, Excluding the effects of changes in the CPI, an increase of 14%.

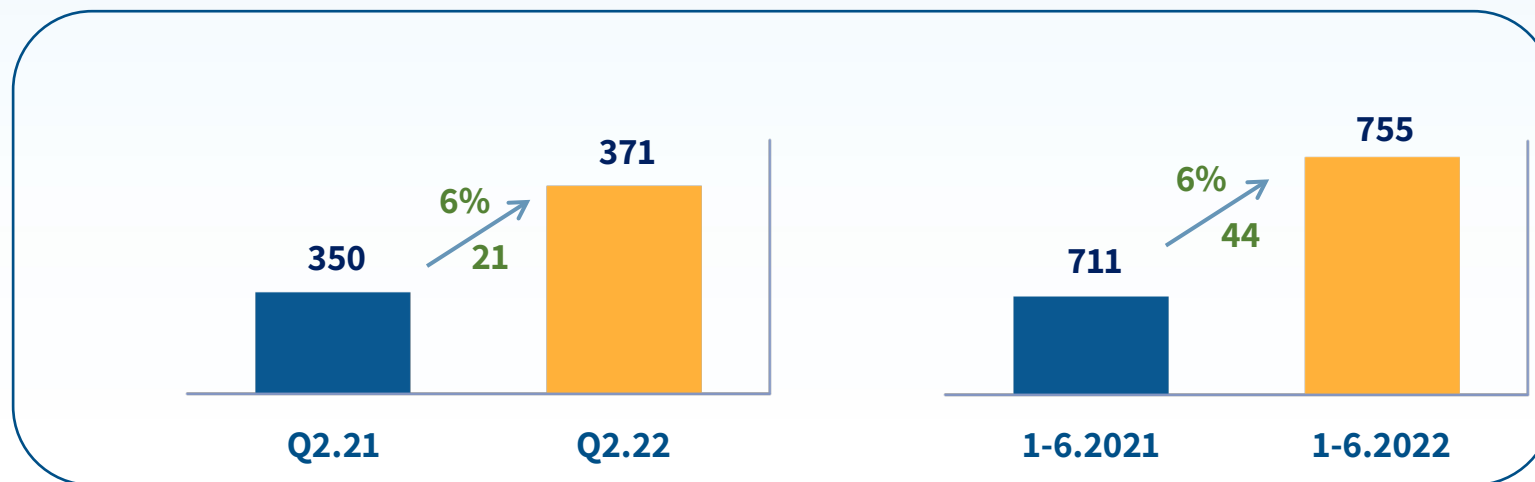
\*\*\* The change in the index amounted to **NIS 34 million**, Excluding the effects of changes in the CPI, an increase of 20%.



# Main commissions - H1.2022 VS H1.2021 (NIS millions)

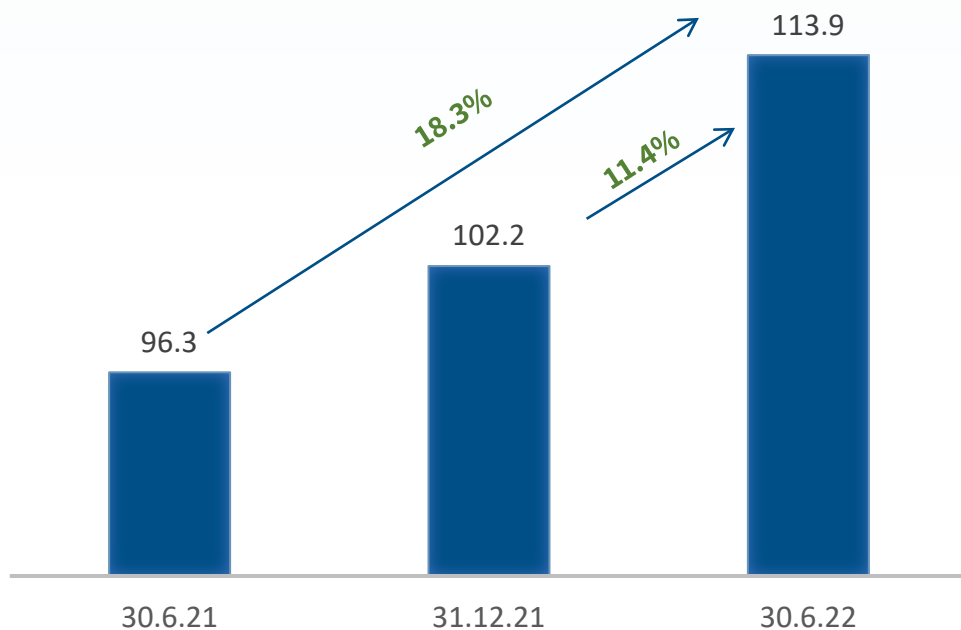


1-6.2022   
1-6.2021 



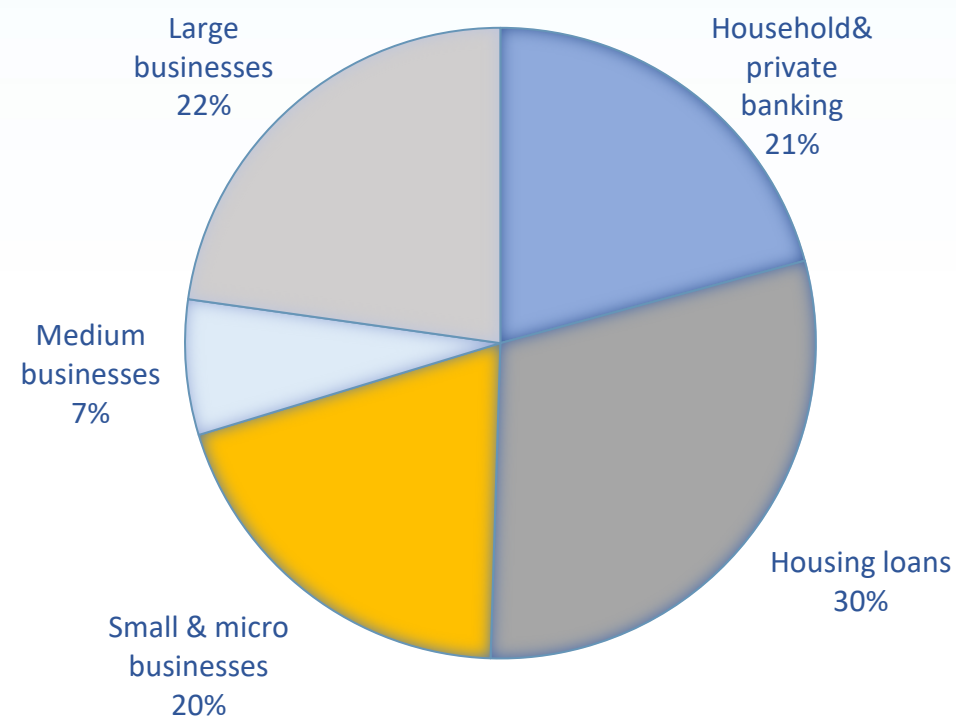
# Credit portfolio

End of period (NIS billions)



**6.1% Increase in credit portfolio on Q2.22**

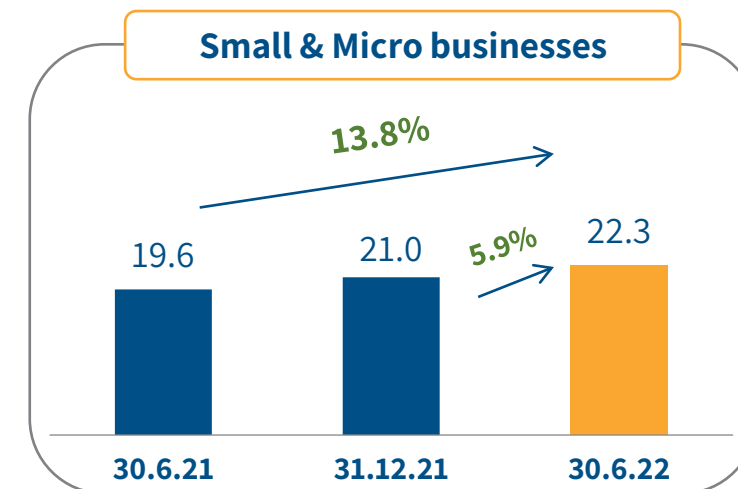
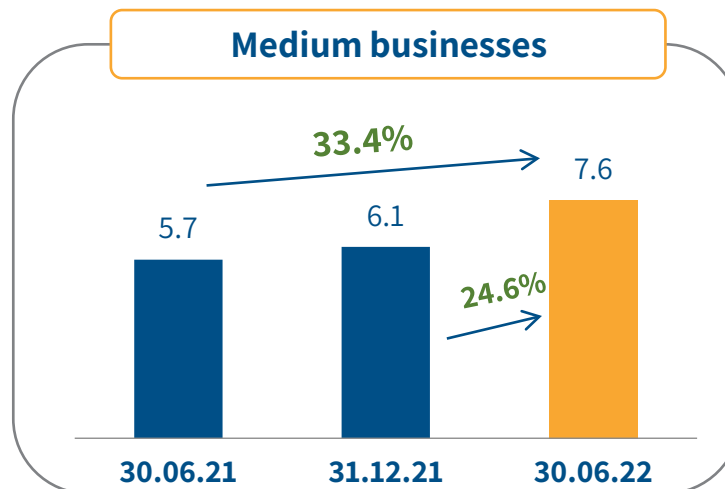
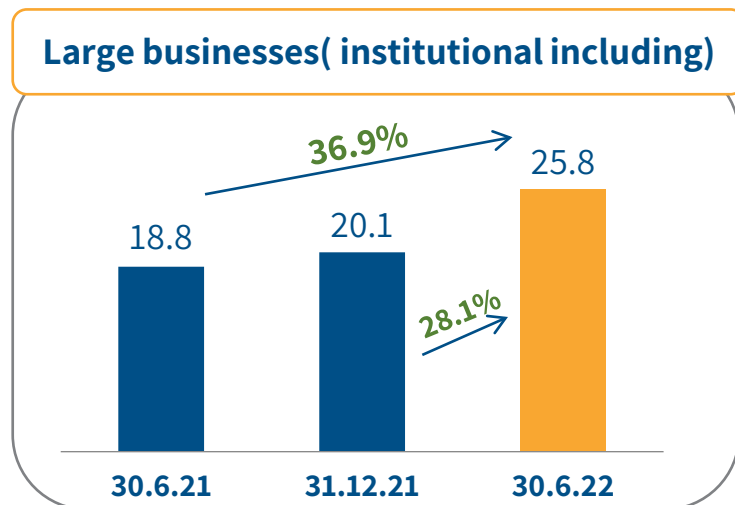
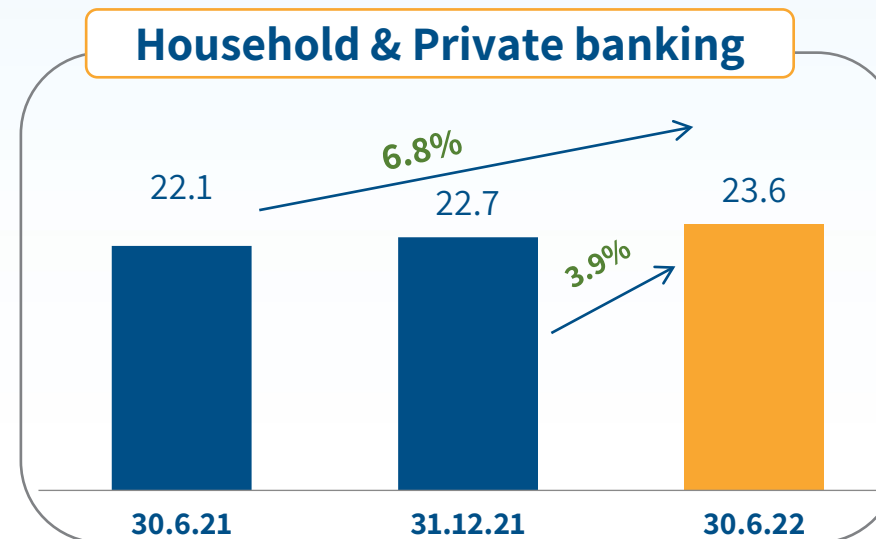
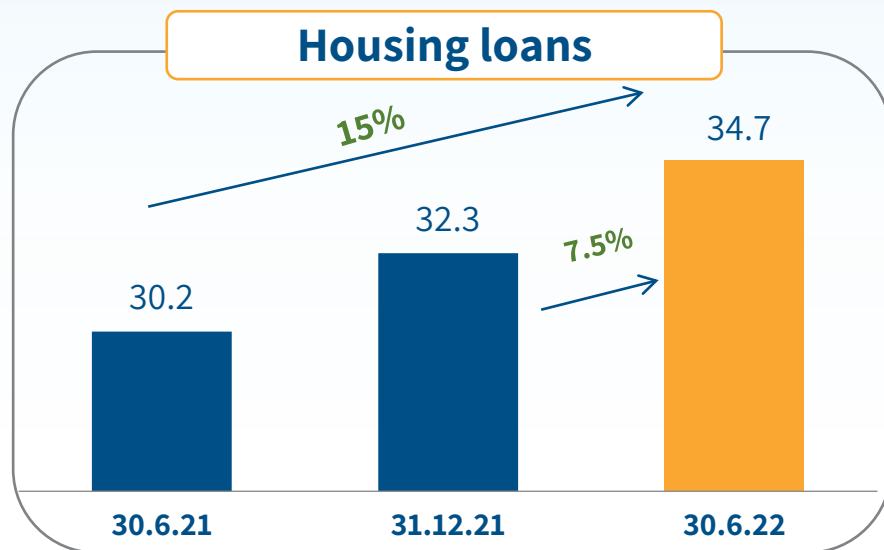
**30.6.2022**



**Strong, diversified credit mix**  
**Housing loans & Household:**  
**51% of credit portfolio**

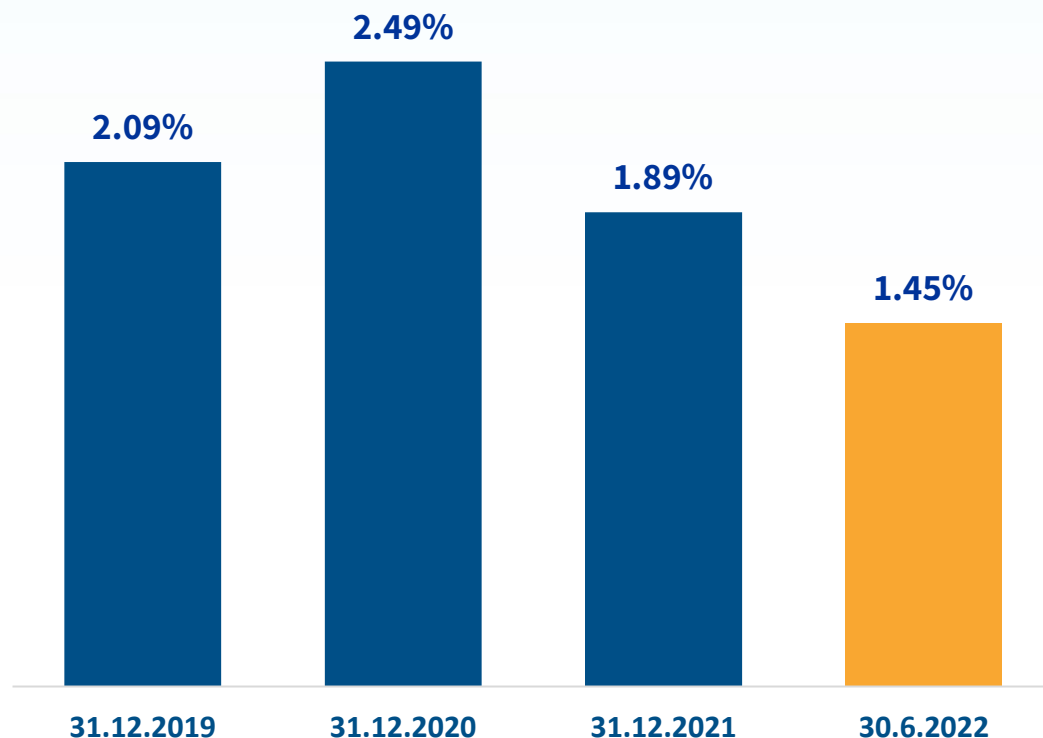
# Credit portfolio

End of period (NIS billions)



# Credit quality and problematic credit risk

**Ratio of problematic (accrual/ nonaccrual) debts to total credit**



A decline of approx. 21% in problem credits in the past year, and of approx. 15% in H1 2022.

**Provision rates**  
(Provision type)

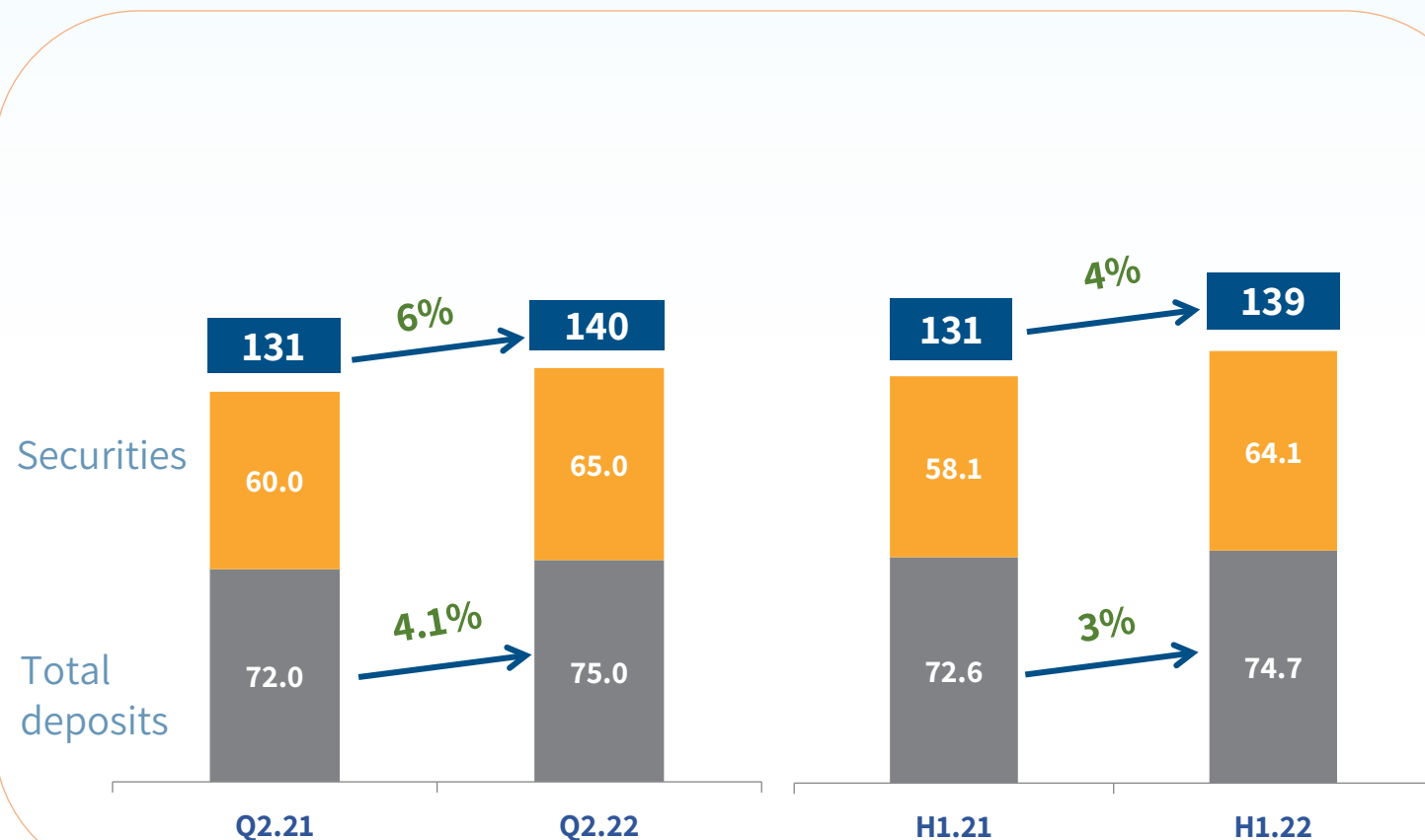
	H1.22	H1.21	2021
Individual provision (%)	(0.03%)	(0.02%)	(0.04%)
Collective provision (%)	0.09%	(0.28%)	(0.19%)
Provision for credit losses (%)	0.06%	(0.30%)	(0.23%)

An increase in the collective provision was recorded following growth in credit portfolio.

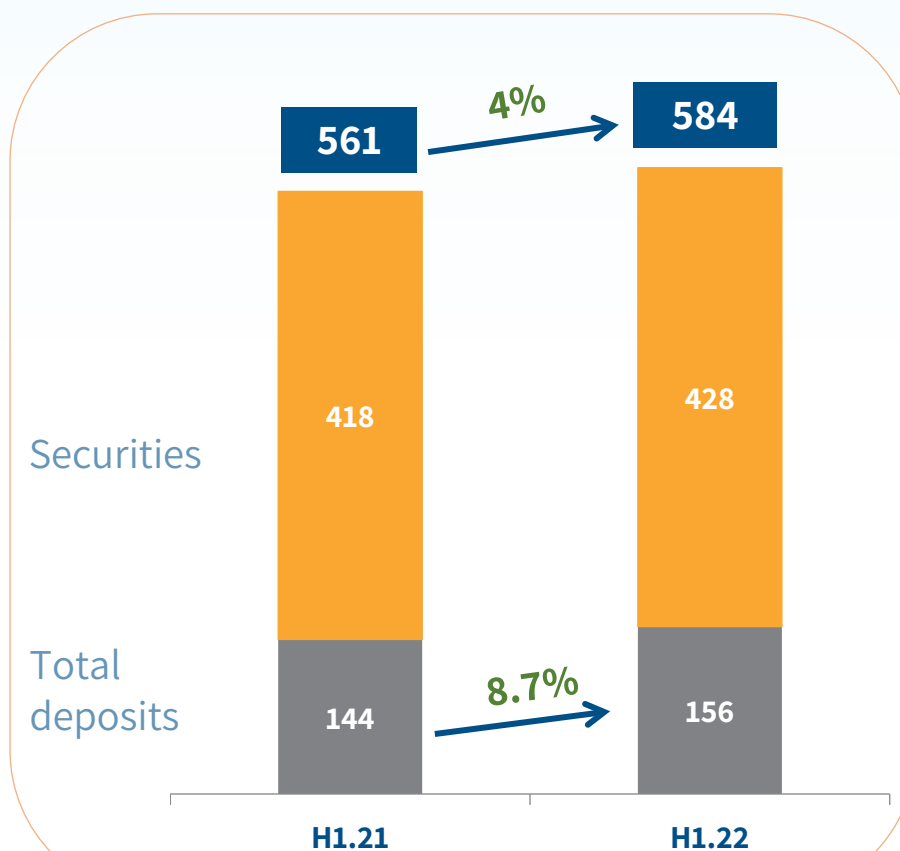
# Total client asset portfolio growth

Average balances (NIS billions)

## Total household asset portfolio



## Total asset portfolio



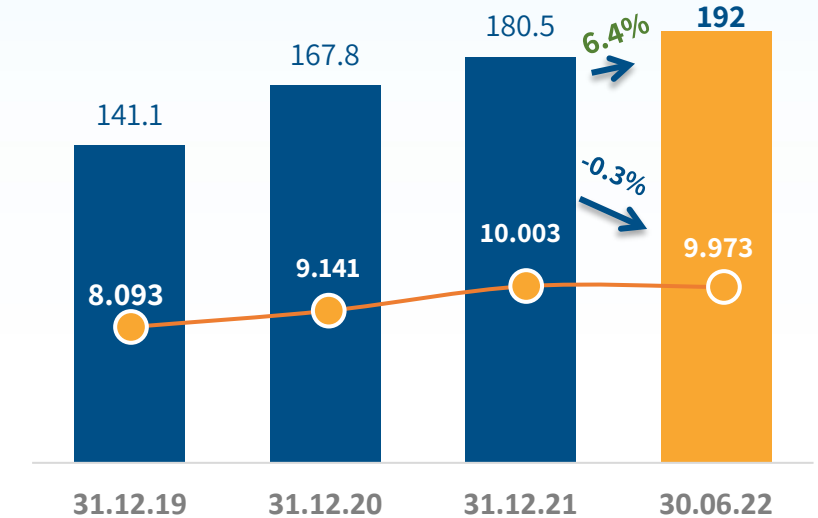
# Robust financial

Equity attributable to shareholders of the Bank and financial ratios at period end (NIS billions)

	30.6.22	2021	2020	2019
Tier 1 capital ratio	<b>10.15%</b>	11.46%	11.18%	10.81%
Gap from the required regulatory Tier 1 capital ratio*	<b>0.91%</b>	3.21%	2.89%	1.56%
Total capital ratio**	<b>12.97%</b>	13.59%	14.46%	13.70%
LCR	<b>125%</b>	128%	150%	128%
Total deposit to credit balance	<b>146%</b>	152%	156%	137%

\* On 2020-2021 Minimal ratio of equity capital tier 1 required by the Supervisor of banks was 8.25% (9.24% today).

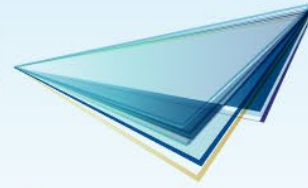
\*\* **0.47% above the regulatory requirement minimum.**



Leverage ratio*	5.81%	5.29%	5.34%	<b>5.02%</b>
Leverage ratio excluding deposits at the BOI	7.6%	7.7%	7.5%	<b>6.8%</b>

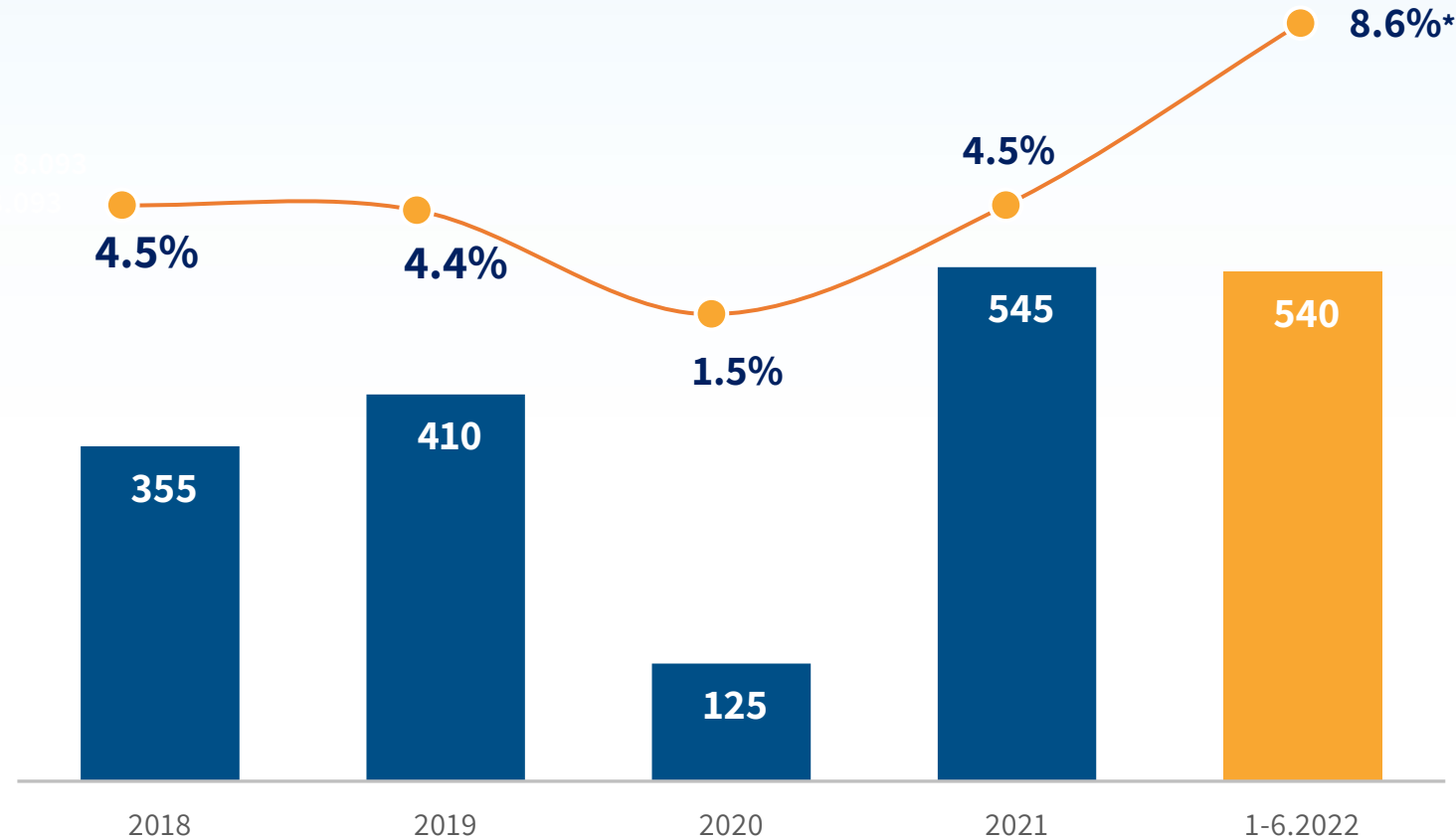


\* Regulatory requirement, including temporary alleviation, 4.5% until 30.6.24.



# Highest dividend yield in the banking system

(NIS millions)



(\*)As of July 31,2022

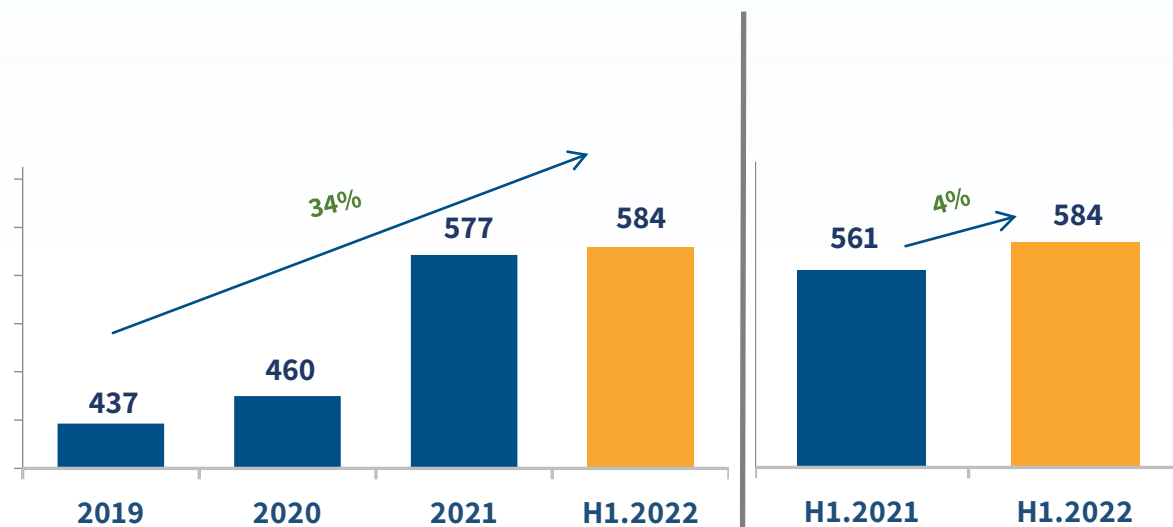
## Average dividend yield of four banks as of July 31, 2022 – 4.4%.

On 16.8.2022, the Board of Directors of the Bank passed a resolution to approve the payment of a cash dividend to shareholders at a total of NIS 170 million, constituting 50% of net profit for Q2.2022 (in alignment with the Bank's policy).

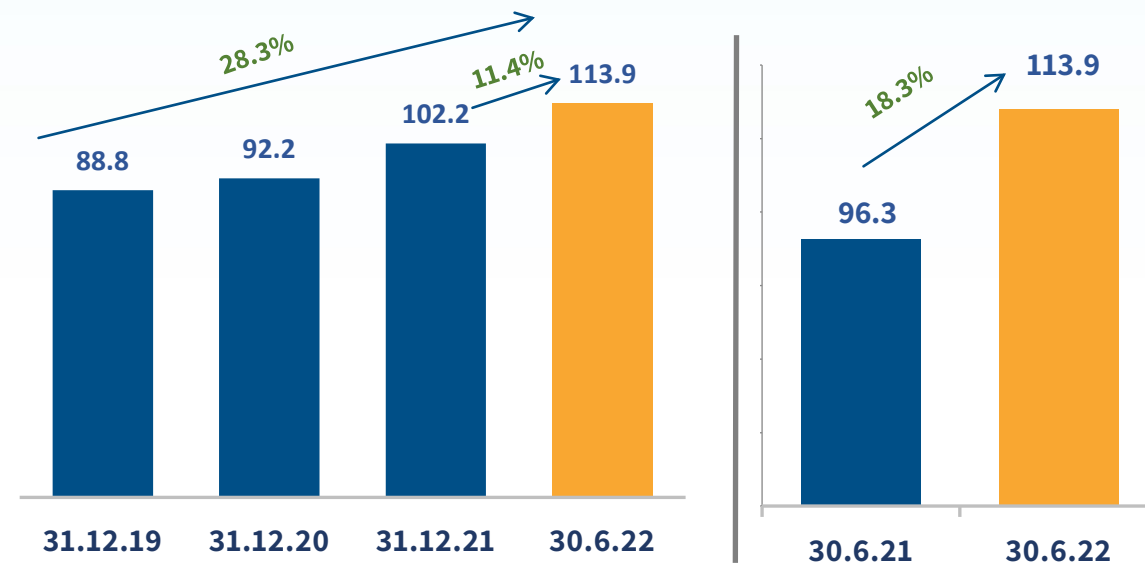


# Growth

**Total client asset portfolio (NIS billions)- Average**

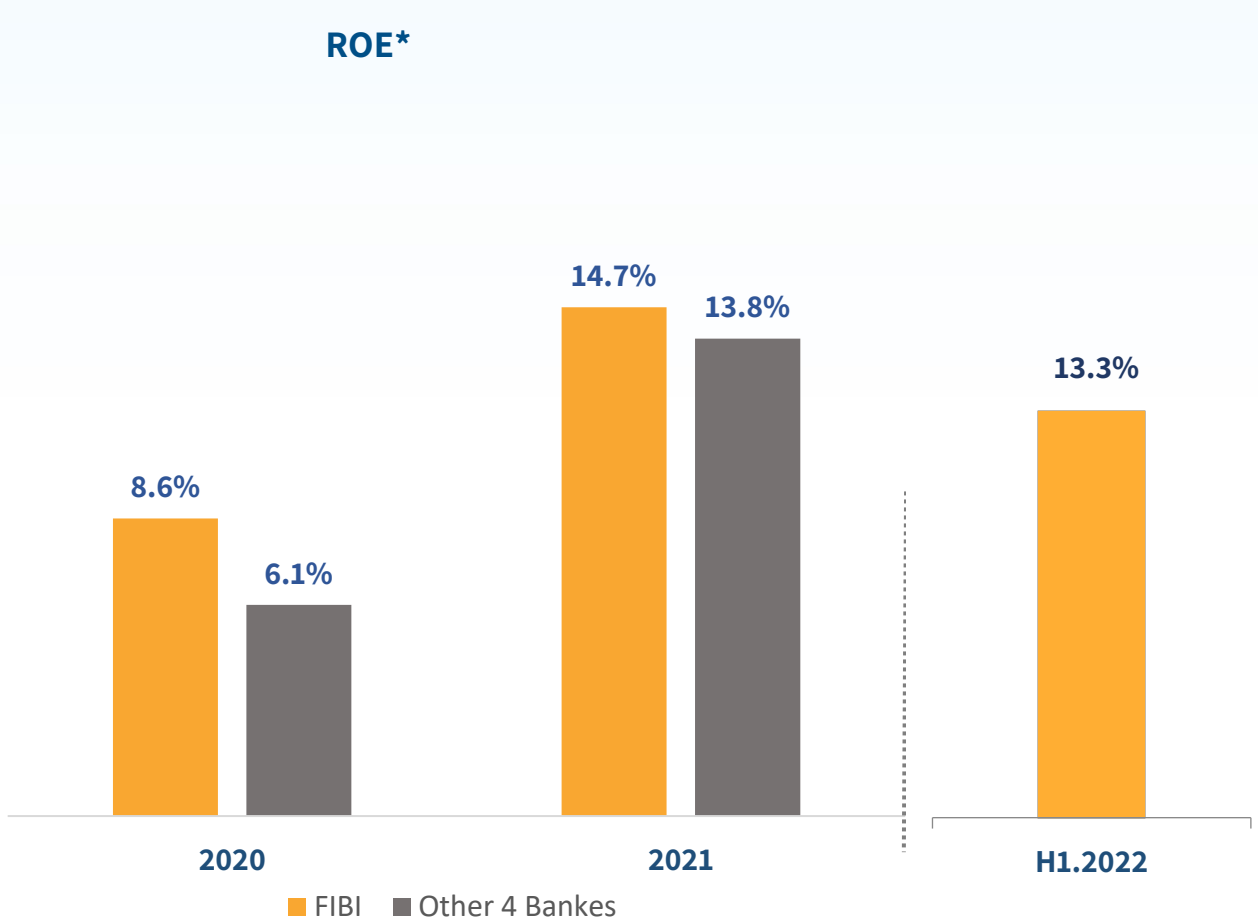


**Total credit to Public (NIS billions)-End of period**

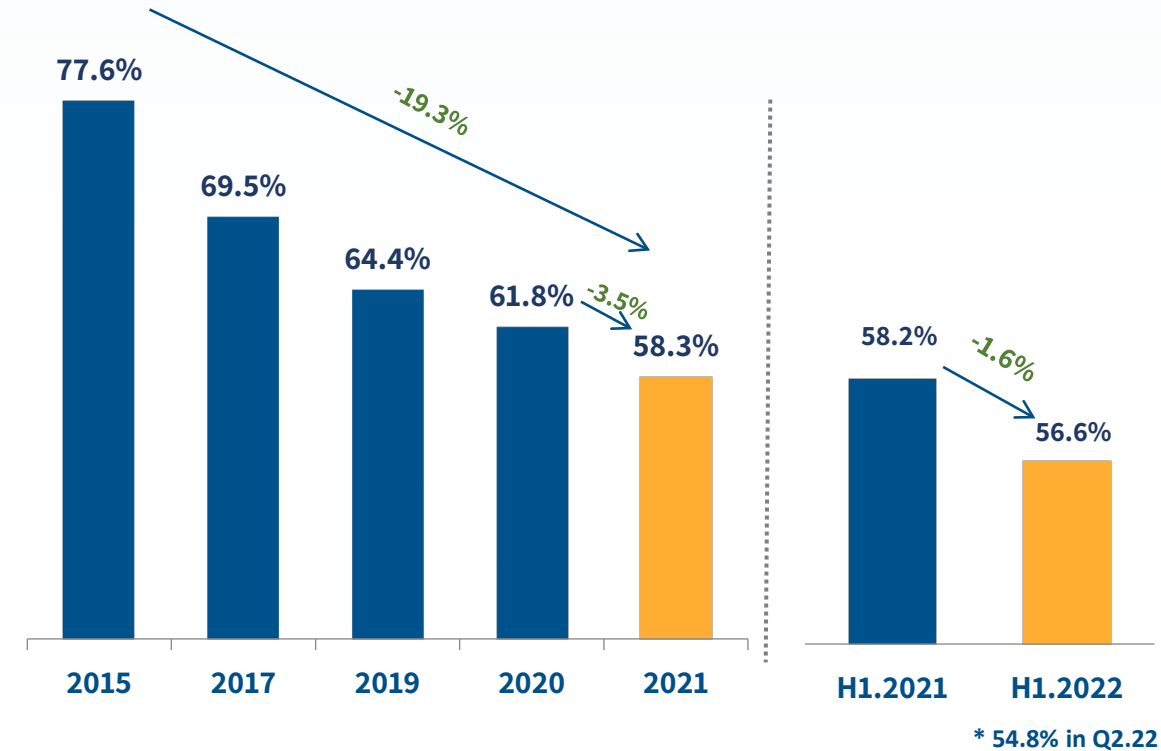


# Growth & Efficiency

ROE\*



Efficiency ratio



\* FIBI's average ROE in 2020-2021 was 11.4%.

ROE growth was achieved while maintaining low volatility in margins.

# Key highlights 1-6.2022 – Growth



Increase in the Group's  
total revenues

**Growth by 6.0% (NIS 132 million)** in the Group's total revenues compared to H1.21 (mainly from interest income).

Increase in  
financing earnings

**Growth by 16% (NIS 223 million)** in net financing earnings compared to H1.21, and **by 21% (NIS 149 million)** compared to Q2.21.

Financing earnings  
from operating

**Growth by 19.1% (NIS 268 million)** in Financing earnings from operating activities compared to H1.21, and **by 24% (NIS 174 million)** compared to Q2.21.

Increase in operating  
commissions

**6% growth (NIS 44 million)** in Operating commissions compared to H1.21, and **6% by (NIS 21 million)** compared to Q2.21.

# Key highlights 1-6.2022 – Growth & Robustness



## Credit growth

**Growth by 6.1% (NIS 6.6 billion)** in Q2.22.  
**Growth by 11.4% (NIS 11.6 billion)** in H1.22.  
**Growth by 18.3% (NIS 17.6 billion)** last year in credit across all customer segments.

## Growth in the client asset portfolio

In H1, 2022, the average customer asset portfolio was NIS 584 billion, **up by 4% (NIS 23 billion)** compared to the corresponding period.  
In Households and private banking **6.2% growth (NIS 8 billion)** compared to the corresponding period, and **5.7% growth (NIS 8 billion)** compared to Q2.21

## Robust financial

**High Tier 1 capital ratio** of 10.15% (0.91% above Minimal ratio of capital required by the Supervisor of Banks)  
**Liquidity ratio** of 125% (Minimal regulatory requirement – 100%)  
**Leverage ratio** – 5.02% (Regulatory requirement - 4.5%)  
**Deposits to credit ratio** – 146%

## Dividend/ dividend yield

**The dividend yield on July 31, 2022 – 8.6%** (the highest in the banking system)  
On 16.8.2022, the Board of Directors of the Bank passed a resolution to approve the payment of a cash dividend of NIS 170 million, constituting 50% of net profit for Q2.2022.

# Key highlights 1-6.2022 – Proportionality & Efficiency enhancement



## net profit and ROE

**Net profit** amounted to NIS **664 million**, compared to NIS **708 million** in **H1.21**.  
ROE in the period was **13.3%**, IN Q2.22 **13.8%** and Q1.22 **13%**.

## (Income) /Expenses from credit losses

**Credit loss expenses** in H1.22 were NIS 31 million (0.06%) compared to income of NIS 137 million in the corresponding period last year, an increase of NIS 168 million. The increase is largely due to NIS 126 million in exceptional income from credit losses recorded last year following a reduction of the Group provision in consideration of improved economic indicators on emerging from the pandemic. In the current period, an increase in the Group provision was recorded following growth in good credit/solid lending.

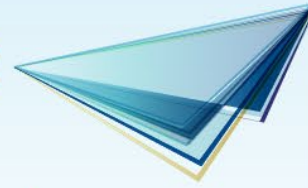
**The bank has an appropriate credit policy & high quality asset portfolio.**

## Decrease in problematic credit

Decrease in the problematic credit by **21%** compared to 21.6.2021 and **15%** compared to the end of the year.

## Further improvement in efficiency ratio

**Efficiency ratio** in H1.2022 was 56.6%, compared to 58.2% in the corresponding period last year.  
**Efficiency ratio** in Q2.2022 was 54.8%



# Innovation and Business Development

1



## Launch of a dedicated website for customers who belong to the Beyond loyalty program

Allows customers to redeem points and earn benefits

2



## Open Banking

FIBI is the first and only bank to display integrated data via the MultiBank service

3



## Online Loans

Greater functionality

4



## API Banking Services

1. More services are available via API to customers who are connected
2. More collaborations through API interfaces with business customer software systems

5



## Life Plan

Pilot launch of a holistic financial planning system based on customer savings and investment data, designed to allow for long-term needs planning and goal setting

6



## RPA and Process Improvement

Expansion of RPA and automation in back-office operations, operating systems and branch operations

7



## Extended functionality in key processes on digital platforms

The option of opening an account online has been extended to include additional audiences, greater functionality in the digital mortgage process and more

8



## Data

Use of advanced data capabilities (NLP, ML) for a more personalized customer experience and in favor of a data-driven organization

Thank You