



FIBI

Financial Statements as of September 30, 2023

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The accessible presentation is available on the First International Bank's website via the link:

<https://online.fibi.co.il/wps/portal/FibiMenu/MarketingEN/AnInformation/AnInvestorRelations/AnFinancialStatements/An2023>

The Bank's Activity During the War

On October 7, 2023, a murderous, vicious terrorist attack was launched against the State of Israel. Our hearts go out to the families who lost their loved ones, and we convey our deepest sympathy and condolences to the families of the murdered and fallen.

We send wishes for a speedy recovery to those who injured, and hope and pray for the wellbeing and timely return of the hostages. We send our strong support and encouragement to the IDF soldiers and security forces, who are fighting heroically, and pray for their safe return.

Determination, endurance and resilience are synonymous with the Israeli nation. **Together we will win.**

Community support

- **Support for the residents of the Gaza envelope.** Allocation of a significant budget to extend support and aid to Kibbutz Nir Oz and other communities in the Gaza envelope in the process of their restoration and recovery.
- **Support for combat soldiers.** Donations to the security forces and provision of banking services in the field.
- **Volunteering and support of the war effort by the Bank's employees** in a variety of spheres.

Wartime Benefits and Relief for Customers

To help our customers cope with the difficulties of the war and its consequences, the Bank has implemented a series of significant easements under the temporary order issued by the Supervisor of Banks, as well as additional easements for specific communities and businesses:

Residents of the Gaza envelope

- 6-month reprieve from mortgage payments – waiver of 3 months' payment, plus another 3 months' interest-free deferral.
- An interest and linkage-free loan of up to NIS 20,000 for a 2-year period.
- Dedicated call center for residents of the Gaza envelope.

Residents living up to 30 km from the border, reservists and residents evacuated from the Gaza envelope and the north

- Interest-free deferral of mortgages and loans for 3 months.
- Exemption from bank fees.

Career soldiers

- Interest-free loan fund of NIS 100 million for our customers who are members of the standing army – up to NIS 12,000-24,000
- Up to 3 months' interest-free deferral of mortgage payments.

Business customers

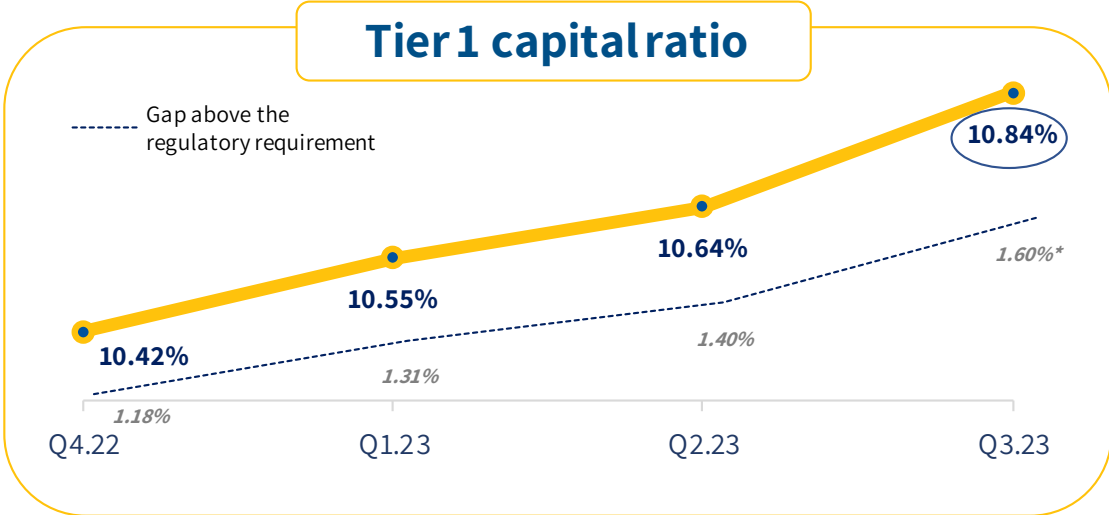
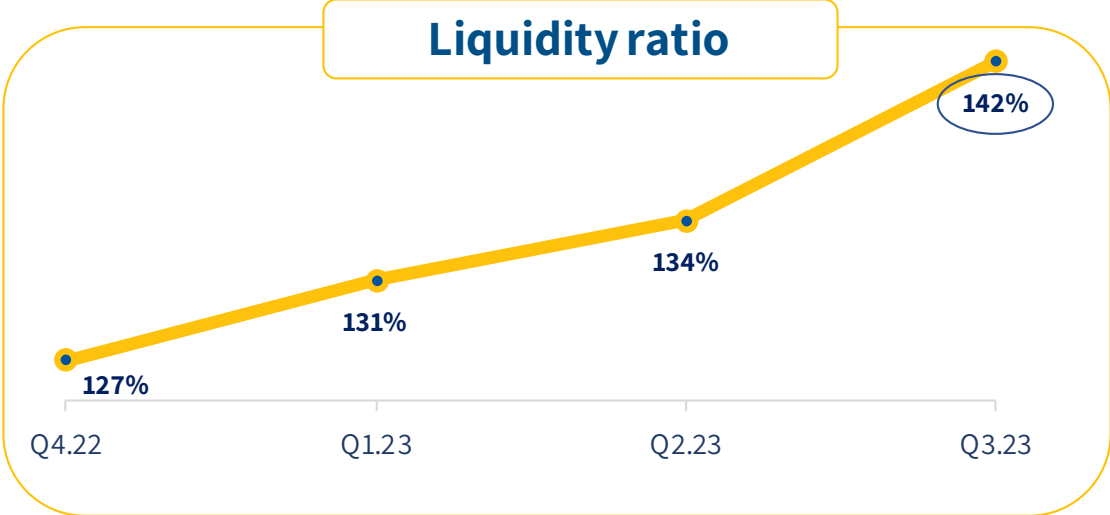
- Deferral of loan payments for 3 months and/or a bridge loan.

Customers of the Bank

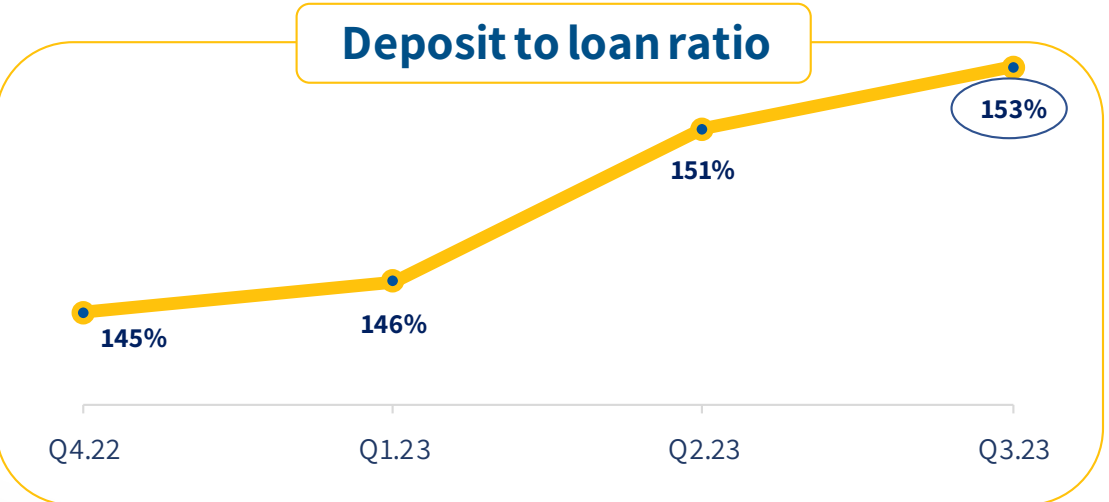
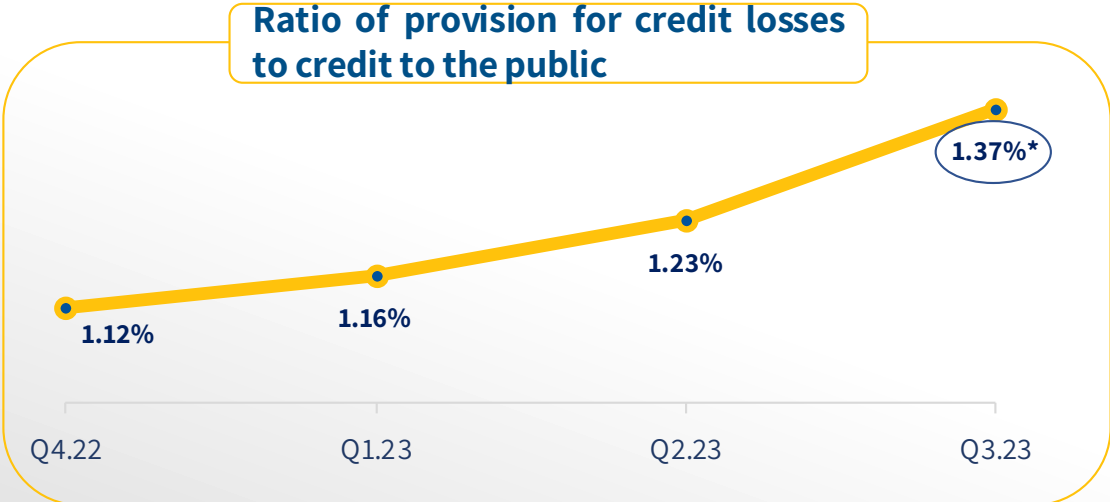
- Provision of banking services for the duration of the war by most branches in cities and on army bases, and visits by mobile branches to the accommodation sites of evacuees and military bases.

The Bank's costs incurred due to customer benefits awarded to help cope with the consequences of the war are estimated at up to **NIS 120 million (constituting 7% of net income in the first nine months of 2023)**

Financial Strength Ratios



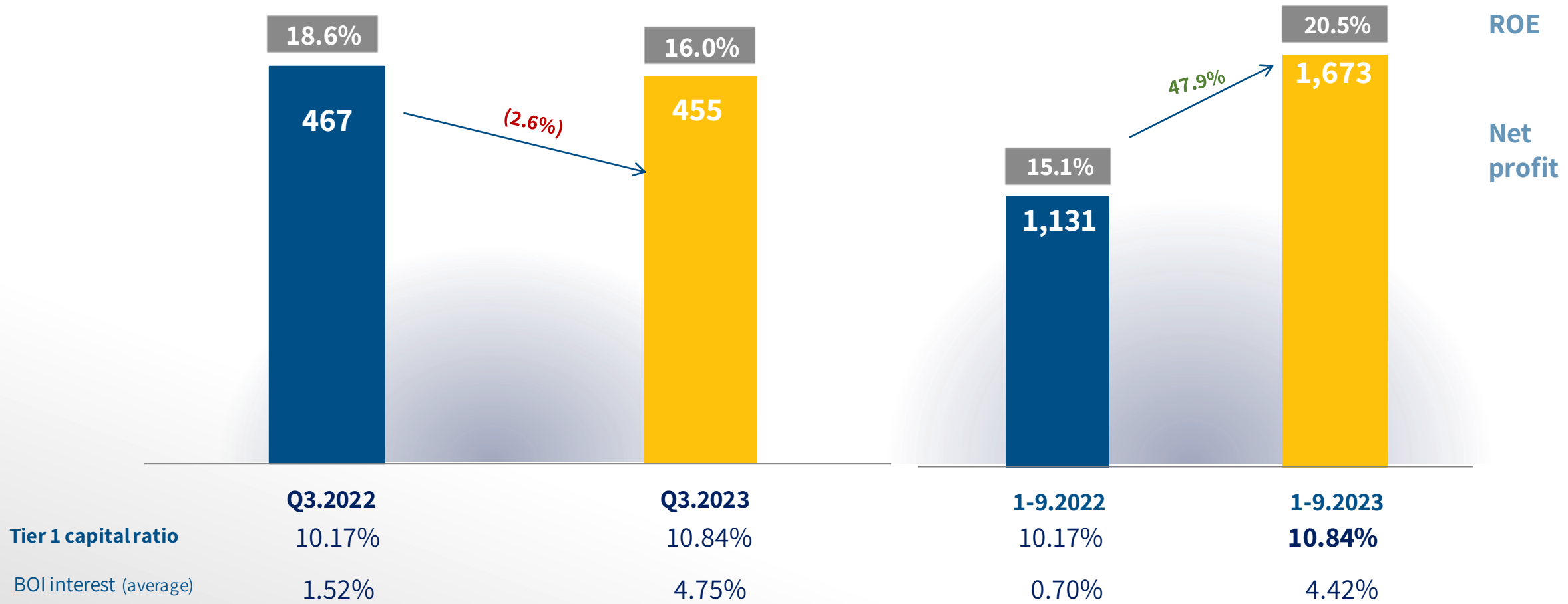
*The highest positive gap compared to 4 largest Israeli banks, gap in capital terms of NIS 1.7 billion



* Increase in allowance buffers – increase in the ratio of the provision for credit losses to credit to the public

Net Profit and ROE (NIS millions)

The bank shows high financial strength along with a high ROE



Principal Information 1-9.23 (compared to 1-9.22)

Profitability

Net profit growth

1,673 **47.9%**
1-9.2023 change



Revenue growth

5,036 **32.3%**
1-9.2023 change



Financing income growth

3,898 **45.8%**
1-9.2023 change



ROE

20.5% 15.1%
1-9.2023 1-6.2022



Efficiency and Financial Strength

Liquidity coverage ratio growth

142% 127%
Q3.23 Q3.22



Tier 1 capital ratio

10.84% 10.17%
30.9.23 30.9.22



Efficiency ratio

43.6% 53.3%
1-9.2023 1-9.2022



Ratio of expenses for credit losses

0.38% 0.09%
1-9.2023 1-9.2022



NPL ratio

0.49% 0.47%
30.9.23 30.9.22

Growth

Credit growth (end of period)

3.8% 2.5%
Compared to 30.9.22 Compared to 31.12.22



Client asset growth (end of period)

15.0% 13.2%
Compared to 30.9.22 Compared to 31.12.22



Deposit growth (end of period)

9.9% 7.7%
Compared to 30.9.22 Compared to 31.12.22



Principal Information Q3.23 (compared to Q3.22)

Profitability

Net profit % change

455 (2.6%)
Q3.23 Compared to
30.9.22



Revenue % change

1,601 12.0%
Q3.23 Compared to
30.9.22



Financing income from current activities % change

1,200 18.3%
Q3.23 Compared to
30.9.22



ROE

16.0% 18.6%
Q3.23 Q3.22



Efficiency and Financial Strength

Liquidity coverage ratio growth

142% 127%
Q3.23 Q3.22



Efficiency ratio

45.8% 47.7%
Q3.23 Q3.22



Ratio of expenses for credit losses

0.55% 0.15%
Q3.23 Q3.22



Growth

Credit growth (end of period)

3.8%
Compared to
30.9.22



Client asset growth (end of period)

15.0%
Compared to
30.9.22



Deposit growth (end of period)

9.9%
Compared to
30.9.22



Condensed Income Statement 1-9.2023

(NIS millions)	1-9.2023	1-9.2022	Change (before taxes)	% change
Interest income, net	3,820	2,613	1,207	46.2%
Non-interest financing income	78	60	18	30.0%
Net financing income	3,898	2,673	1,225	45.8%
Credit loss expenses (0.38% compared to 0.09% in the corresponding period)*	336	74	262	354.1%
Fees	1,131	1,125	6	0.5%
Total income (before provision for credit losses)	5,036	3,807	1,229	32.3%
BOI interest (average)	4.42%	0.70%	3.72%	
FED interest (average)	5.09%	1.20%	3.89%	

* An increase of NIS262 million, the result of the collective provision for credit losses. The increase in the collective provision is largely due to adjustments to the collective provision following concerns as to the impact of macroeconomic projections considering the level of economic uncertainty, among other things in light of the repercussions of the war, interest rate hikes and the probability of an economic downturn. In the first nine months of 2023, the individual provision amounted to income of NIS31 million.

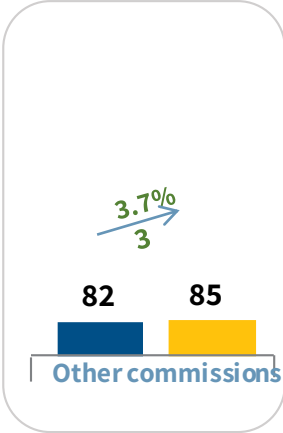
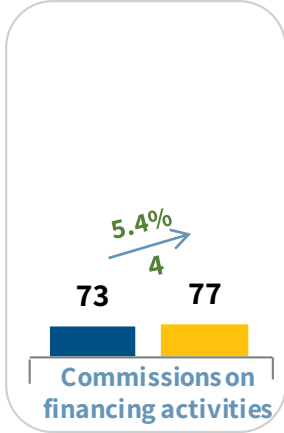
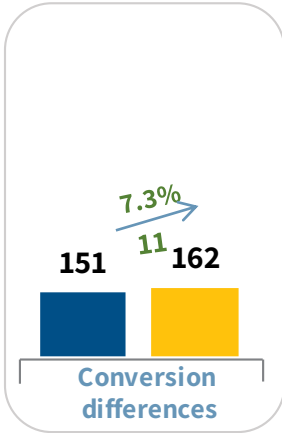
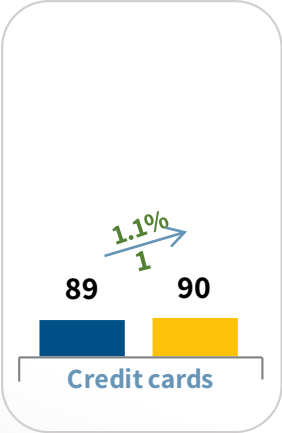
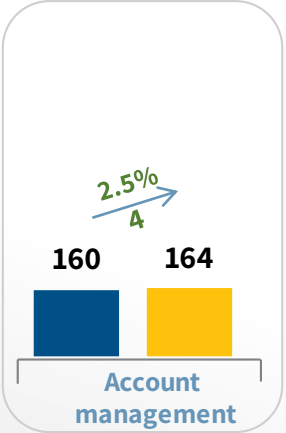
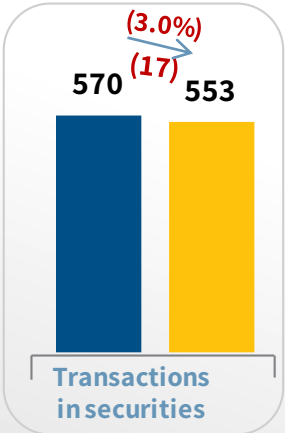
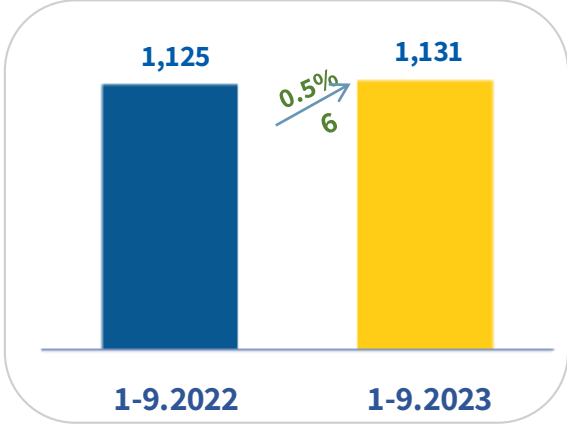
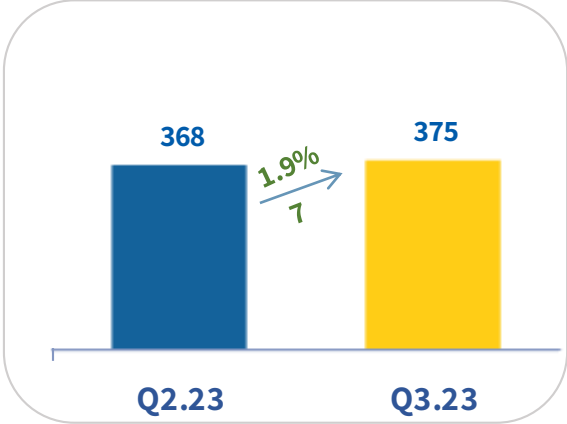
Condensed Income Statement 1-9.2023 (continued)

(NIS millions)	1-9.2023	1-9.2022	Change (before taxes)	% change
Total operating and other expenses	2,197	2,028	169	8.3%
Salaries and related expenses *	1,353	1,231	122	9.9%
Maintenance and depreciation of premises and equipment	256	249	7	2.8%
Amortization and impairment of intangible assets	91	84	7	8.3%
Other expenses	497	464	33	7.1%
Profit before taxes	2,503	1,705	798	46.8%
Provision for taxes	869	597	272	45.6%
The Bank's share in earnings of ICC (includes a one-time profit from the sale of ICC building)	105	64	41	64.1%
Attributed to shareholders of the Bank	1,673	1,131	542	47.9%

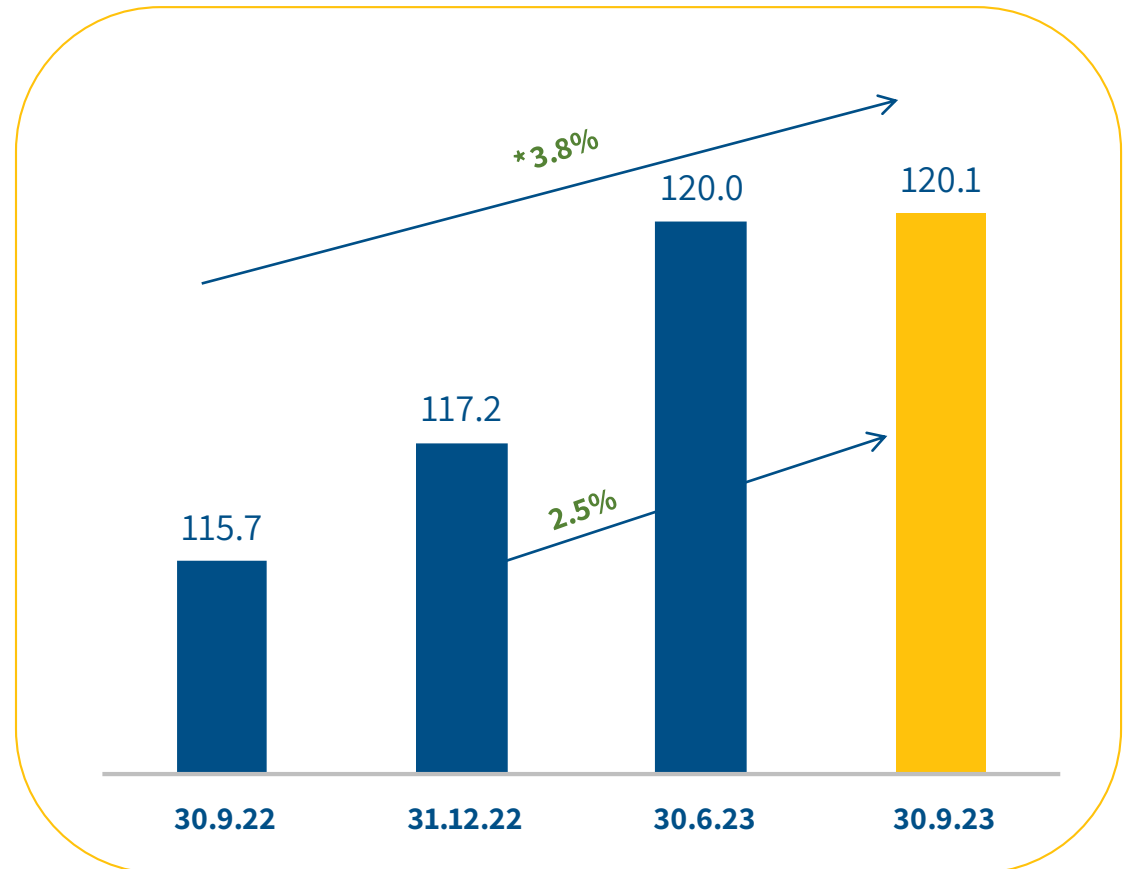
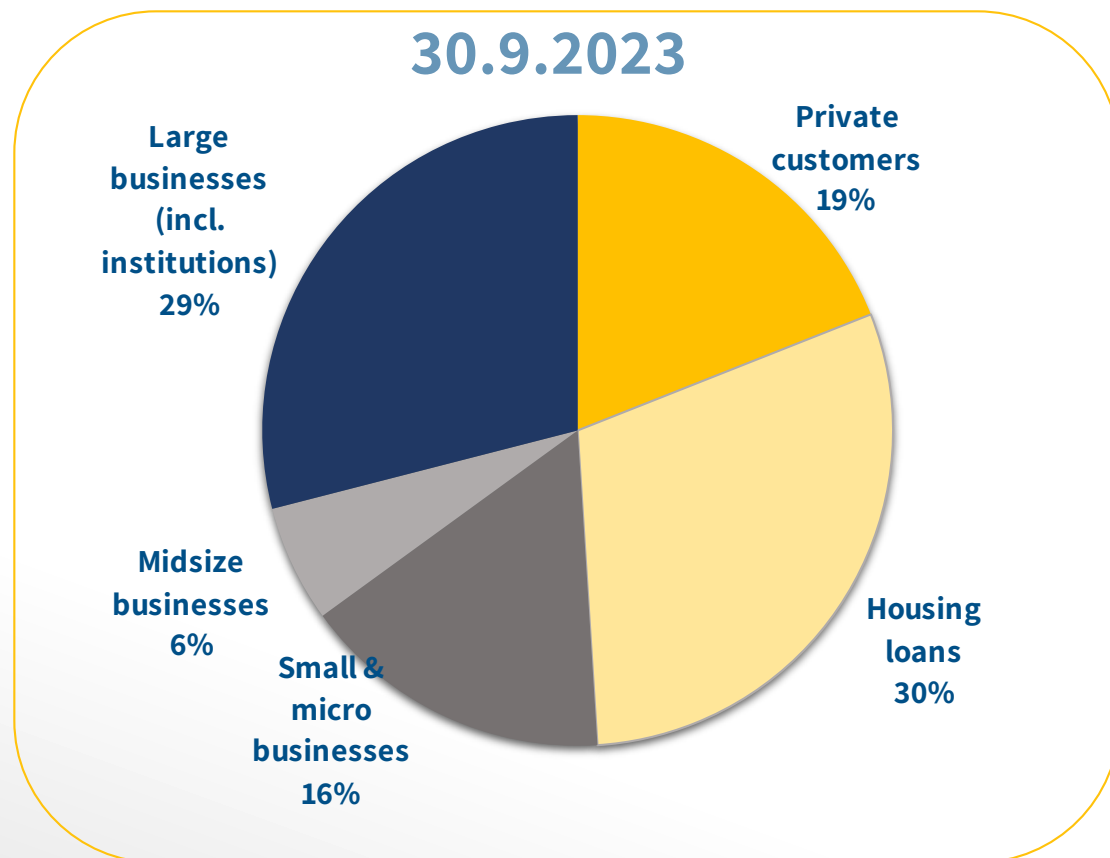
- The increase in payroll expenses is the largely the result of an increase in the provision for bonuses and salary increases. The higher payroll expenses are due, among other things, to the signing of employment contracts for the years 2023-2026
In the third quarter compared to the second quarter, a decrease of 6% (NIS 28 million) in salary expenses

Main Commissions (NIS millions)

1-9.2023 ■
 1-9.2022 ■



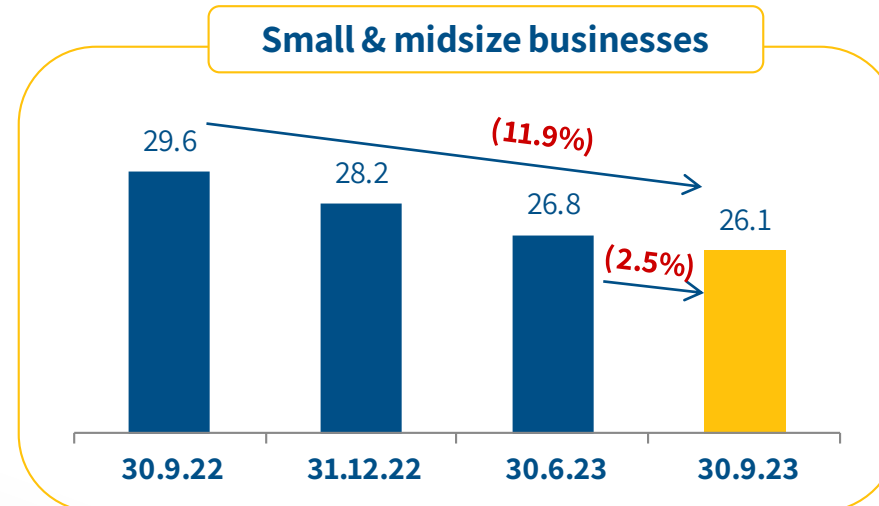
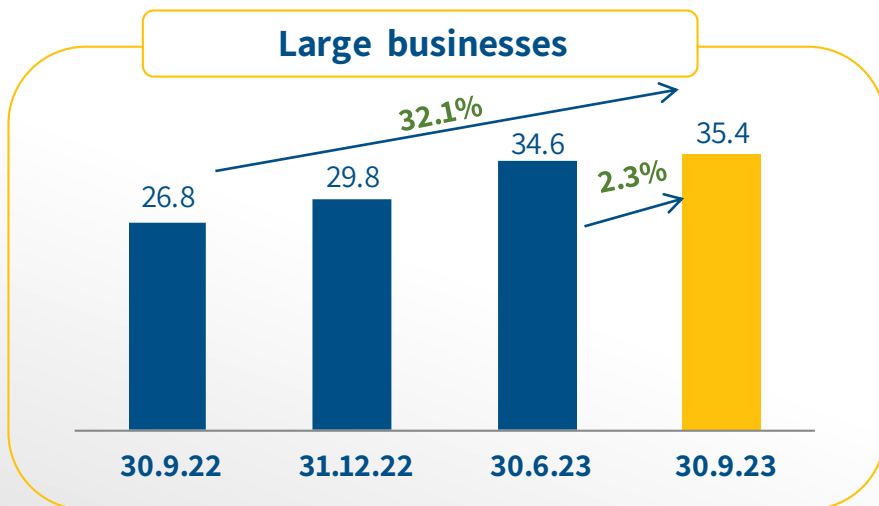
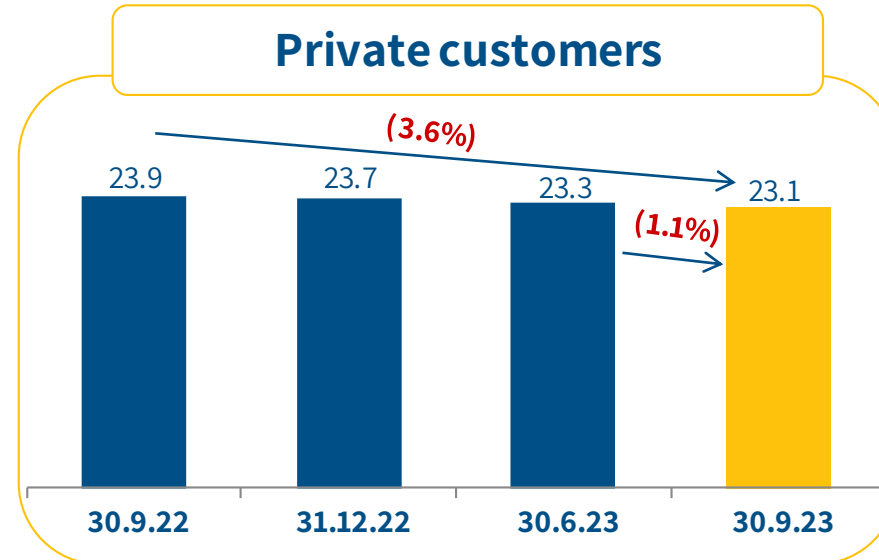
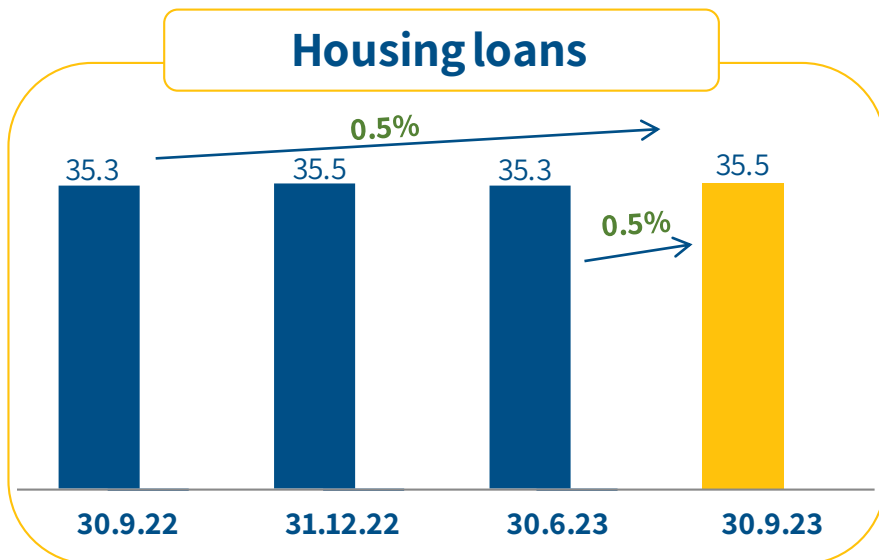
Credit Portfolio Growth End of period (NIS billions)



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

*The total average outstanding credit balance increased by 8.3% in 1-9/23 (NIS 9.1 billion) compared to 1-9/22.

Credit Portfolio by segments, End of period (NIS billions)

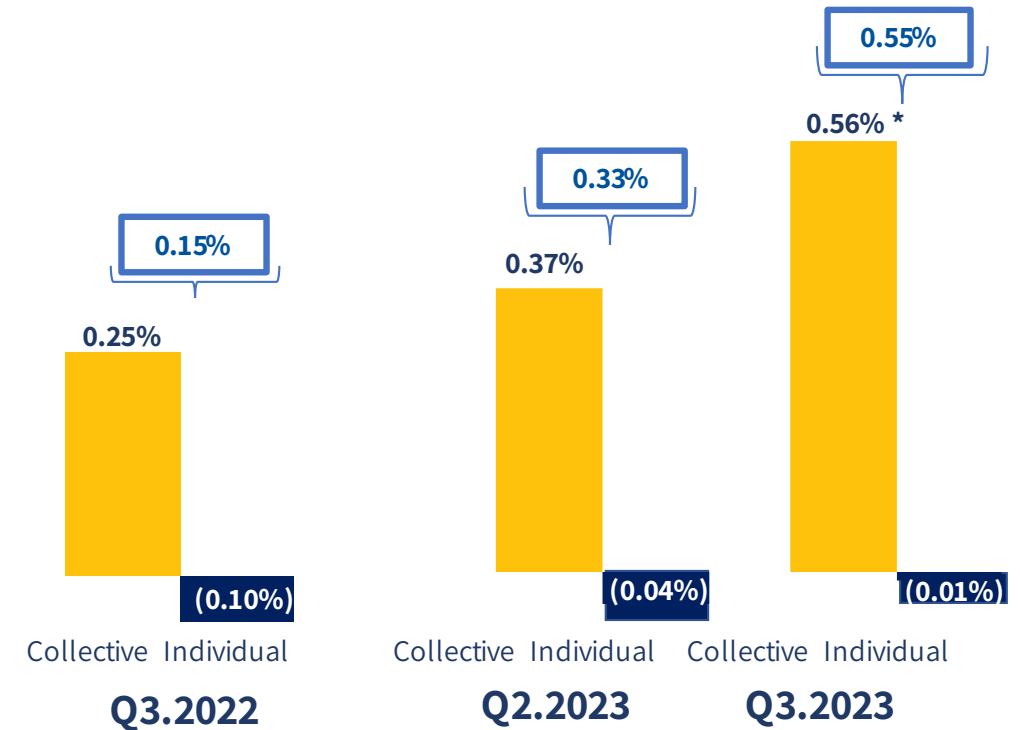


Credit Quality and Credit Loss Expense Rate

Credit quality indices

	30.9.23	30.9.22
Allowance buffers		
Ratio of provision for credit losses to credit to the public	1.37%	1.10%
NPL		
Ratio of non-accruing debts or in arrears of 90 days or more to credit to the public	0.49% low = good	0.47%
Credit coverage ratio		
Ratio of provision for credit losses to total non-accruing credit to the public	264%	224% high = good

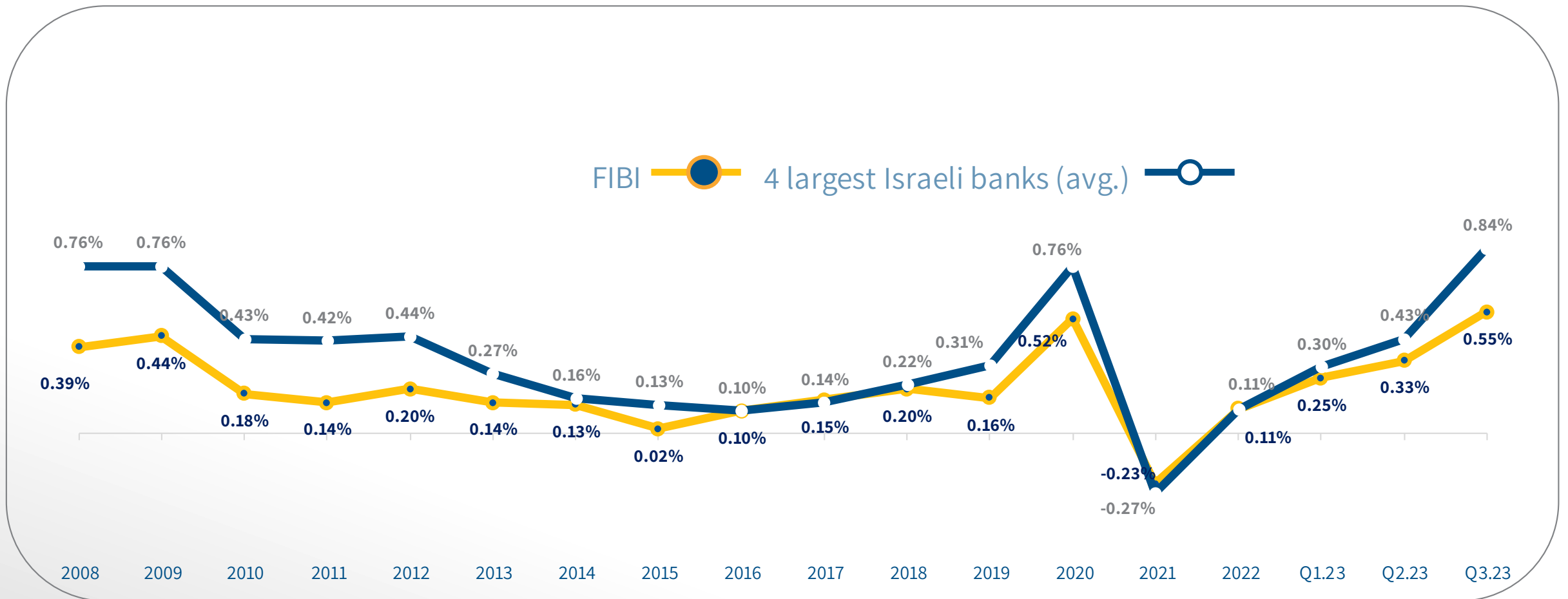
Individual income and collective expense from credit losses (NIS millions)



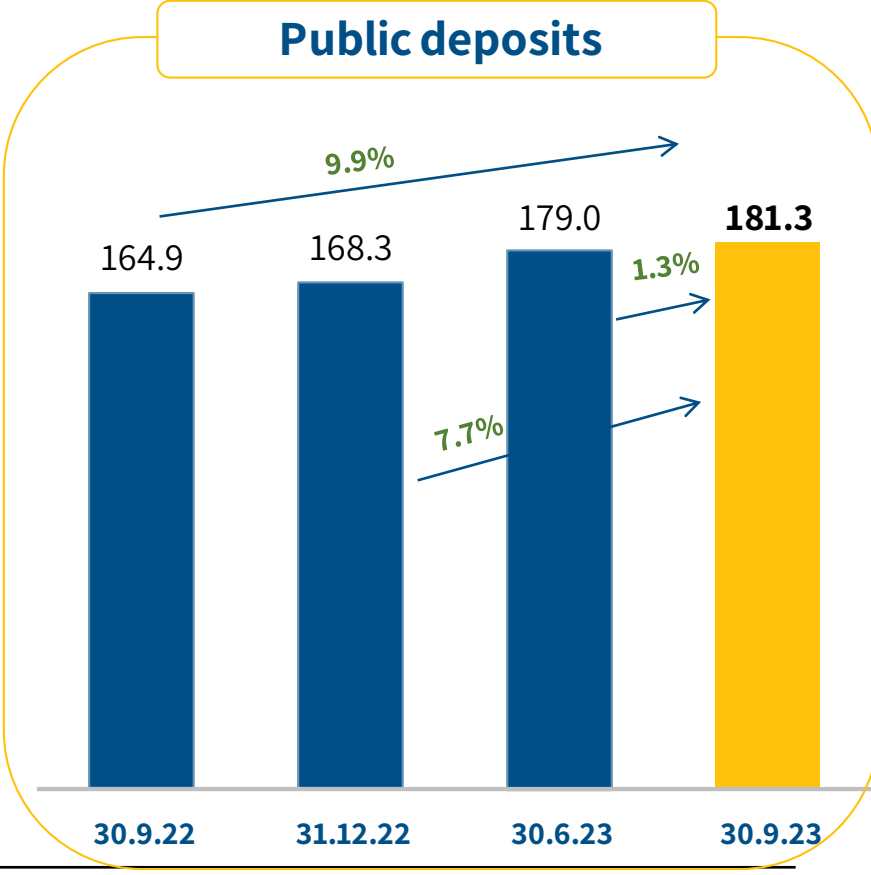
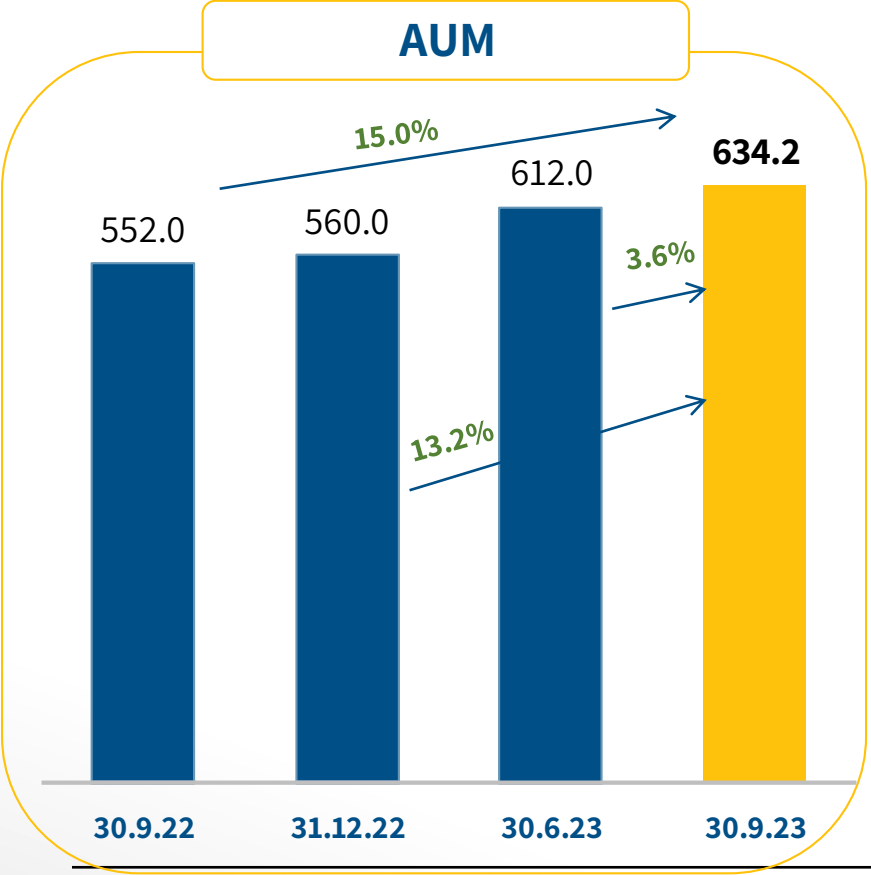
*In the third quarter of 2023 credit loss expenses were NIS 165 million compared to NIS 43 million in the corresponding period, an increase of NIS 122 million and the result of the collective provision for credit losses following economic uncertainty due to the possible repercussions of the Swords of Iron war.

Ratio of expenses from credit losses to average total credit

FIBI's moderate credit policy resulted in lower provision rates



Public deposits and AUM End of period (NIS billions)



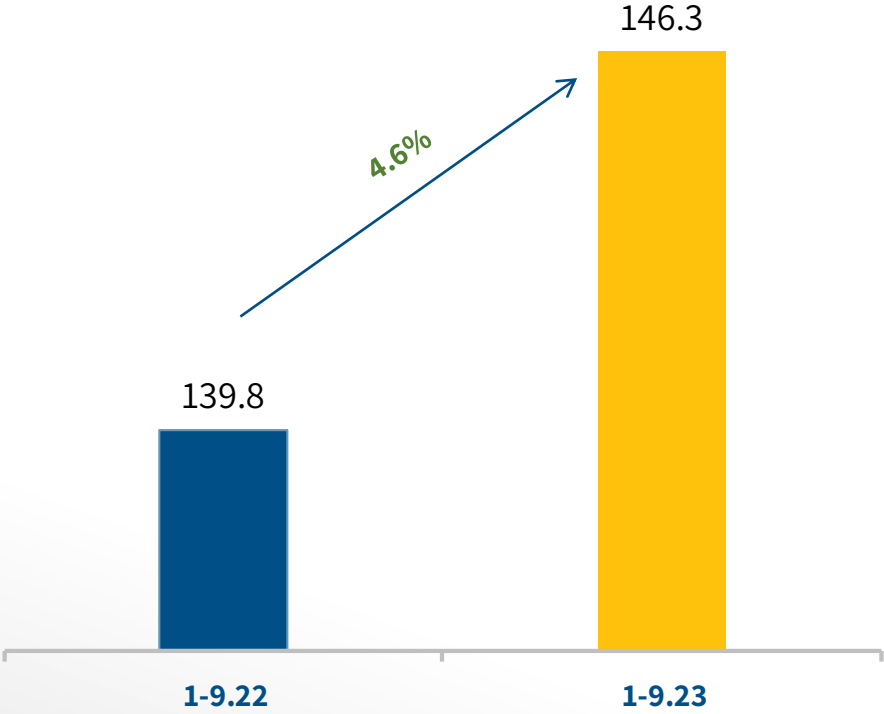
Rate of non-interest bearing deposits 37% 33% 26% 24%

Continuous growth in the AUM portfolio

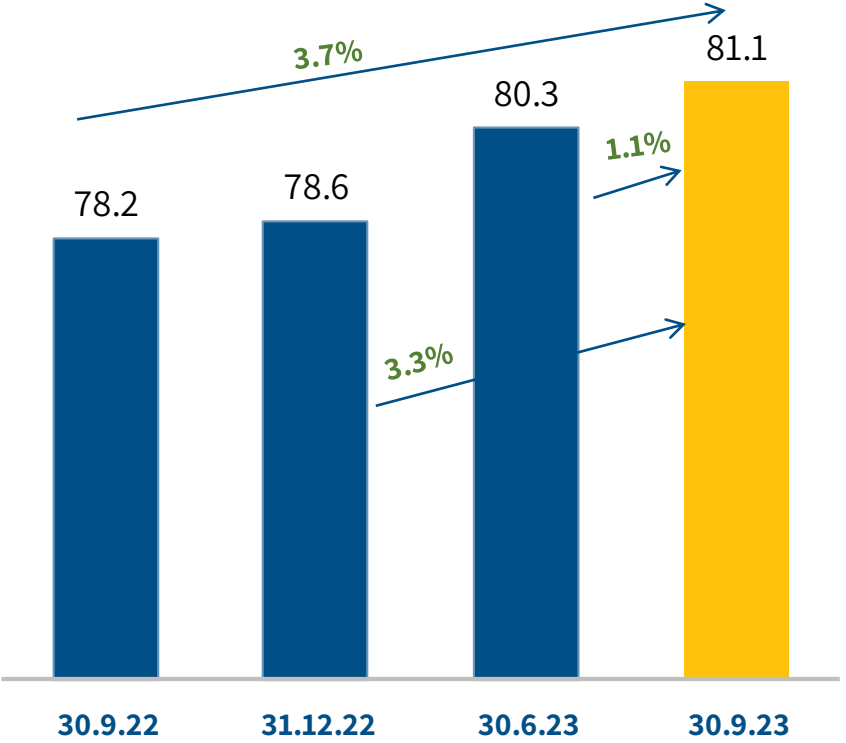
Diversified deposit portfolio- 59% private customers and small businesses

Private Deposits and AUM End of period (NIS billions)

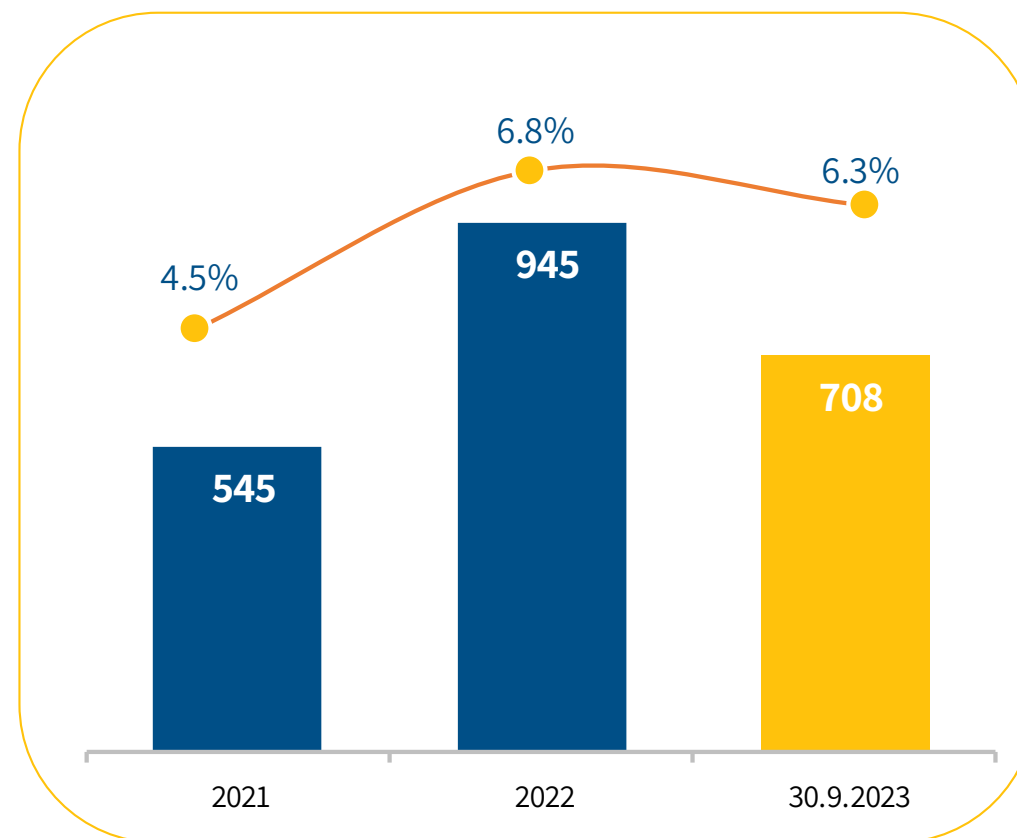
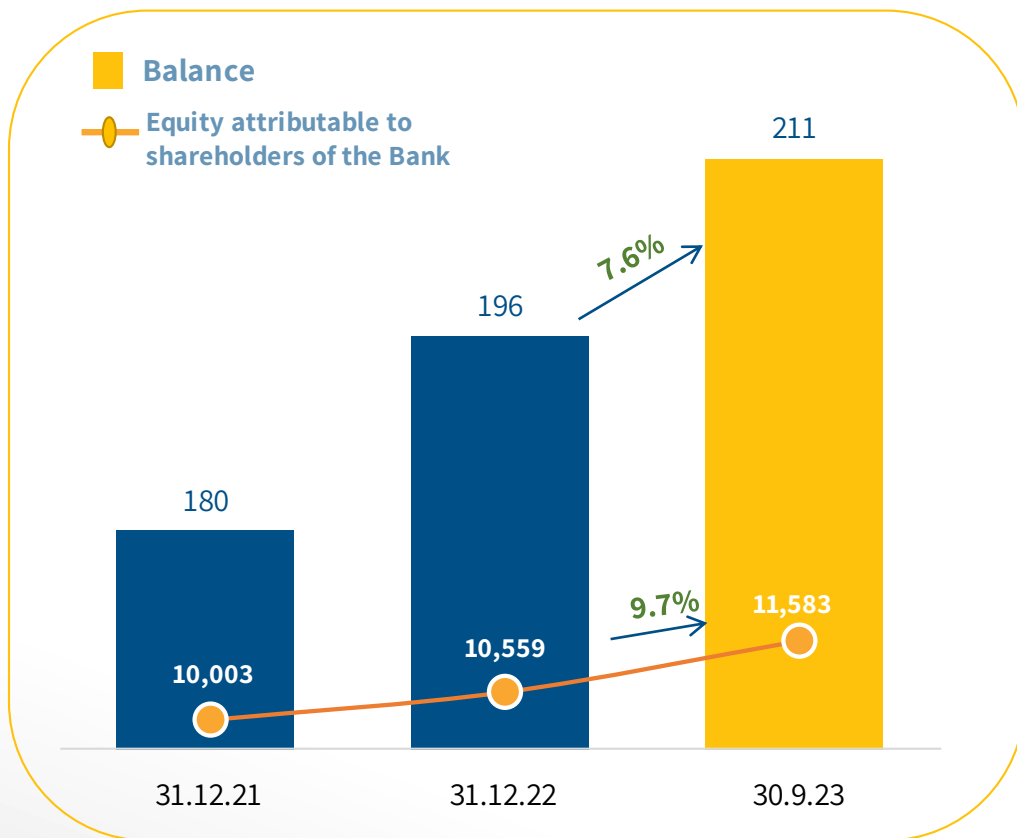
Private AUM (average)



Private deposits (end of period)



Dividend Yield and Equity Attributable to Shareholders of the Bank



Price to book ratio

1.30

1.32

1.42

Since the Bank's dividend policy calls for an annual distribution of up to 50% of net income for the year, and noting the Supervisor of Banks' letter and against the backdrop of the high degree of uncertainty in the markets in Israel due to the war as well as the ongoing uncertainty in world markets (among other things, macroeconomic risk and the impact of Swords of Iron), on November 28, 2023 the Board of Directors of the Bank decided to approve a cash dividend to shareholders at a total of NIS 90 million (gross).

Securities Portfolio

	30.9.23			31.12.22			Change
	Book value (NIS millions)	Duration	%	Book value (NIS millions)	Duration	%	
A . Bonds held to maturity	3,487	3.22	16%	3,138	3.67	20%	349
Of which: Israel government (95%)	3,324	3.21	15%	2,941	3.64	18%	383
B . Bonds available for sale	17,690	1.60	80%	12,401	2.12	77%	5,289
Of which: Israel government (51%)	8,959	2.33	41%	8,041	2.67	50%	918
Of which: US government (44%)	7,782	0.53	35%	3,683	0.72	23%	4,099
C . Investment in not-held-for-trading securities	441	-	2%	445		3%	(4)
D . Held-for trading securities (Israel government bonds)	425	-	2%	27		0%	398
Total securities	22,043	1.87	100%	16,010	2.43	100%	6,033

- 93% of the account comprises Israeli and US government bonds.

Fair value adjustments (net) to the bonds to maturity portfolio as on September 30, 2023 amounted to a **loss (net) of NIS 138 million, compared to a loss (net) of NIS 117 million on December 31, 2022. These adjustments are not included in the equity or profit data, but are provided as a disclosure only in a note to the financial statements. The difference between fair value and adjusted value of the bonds to maturity constitutes 5.3% of the remaining bonds in the portfolio and 1.2% of equity.

Key Highlights 1-9.2023

High financial strength and credit portfolio quality

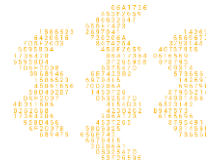


Credit quality indices and allowance buffers

Ratio of total provision for credit losses to credit to the public – 1.37% - allowance buffer

NPL – 0.49% (low = good)

Ratio of provision for credit losses to total non-accruing credit to the public – 264% (high = good)



Financial strength

Tier 1 capital ratio - 10.84%
(1.60% higher than the regulatory minimum requirement)

Liquidity coverage ratio- 142%
(regulatory minimum requirement - 100%)

Ratio of public deposits to credit to the public – 153%



Net Profit and ROE

Net profit of NIS 1,673 million in the first nine months of 2023, an increase of 48%

ROE in the first nine months of 2023 amounted to **20.5%**, and **16.0%** in the third quarter of the year

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