



Financial Statements

as of December 31, 2022

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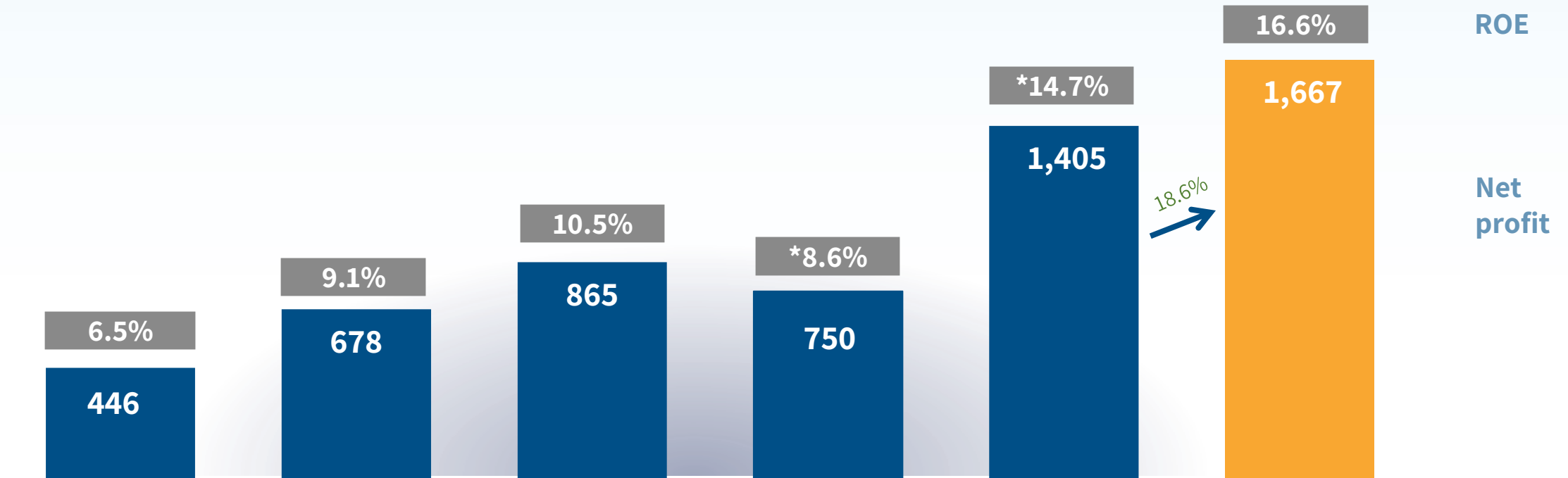
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Net Profit and ROE growth (NIS millions)



ROE

Net profit

2015

2017

2019

2020

2021

2022

Tier 1 capital ratio

9.81%

10.38%

10.81%

11.18%

11.46%

10.42%

Total capital ratio

13.26%

13.94%

13.70%

14.46%

13.59%

13.75%

BOI interest (average)

0.13%

0.10%

0.25%

0.14%

0.10%

1.25%

* Average annual ROE 2021-2022- 11.4%

Business Focus and Strategy

Strategy

The Bank's board of directors has approved the corporate strategy for 2023-2025, which is designed to propel the Bank forward in the emerging competitive environment

- Retain leadership in capital market and private banking services
- Continue to develop data as a core capability and retain digital leadership
- Entry into new categories through collaborations
- Upgrade and tailor the branch array to the digital environment and consumer preferences
- Continue to apply efficiency enhancement moves and process optimization
- Maintain ongoing business growth

Strengths

- Specialization in wealth management
- Leadership in capital market services
 - No. 1 in trading volumes on the TASE
 - Management of a client asset portfolio of NIS 560 billion
- Specialization in the provision of operational services to the capital market and expansion into additional areas – banking as a service
- High market shares:
 - Forex dealing rooms
 - Foreign and Israeli securities
 - Foreign trade
 - Private banking, retail banking and small businesses
 - Factoring
- Leadership and focus on retail banking and singular, growing niche categories

Innovation & Efficiency Enhancement

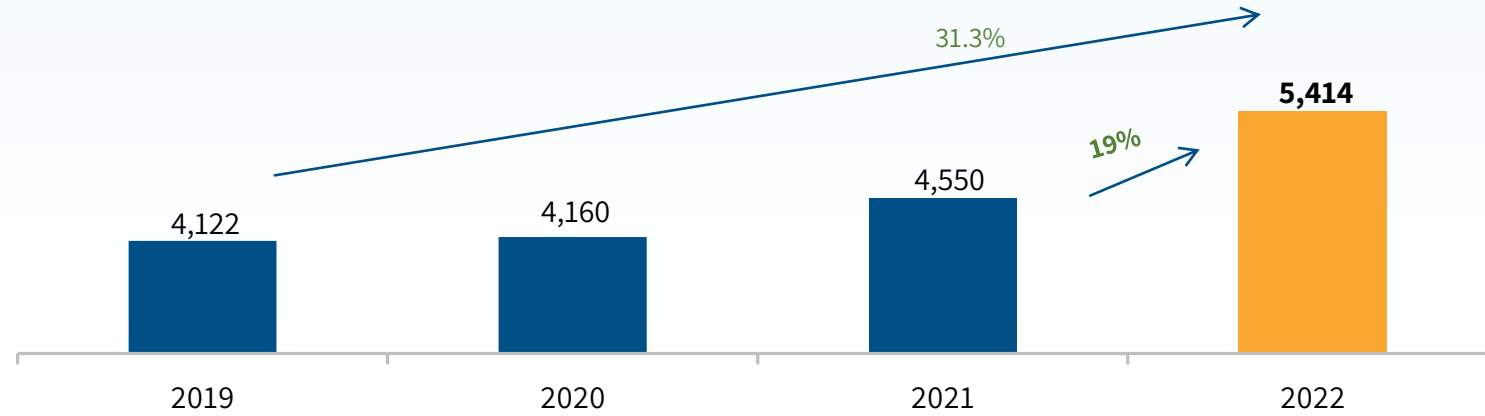
- Advanced digital and technological infrastructure to achieve operational excellence and ongoing improvement in customer service
- Innovative data strategy that promotes personalized customer service, using cutting-edge methodologies and analytical tools
- RPA and process improvement: Automation of back-office systems and operational processes in the Head Office and at branches
- Expansion of API and embedded banking services to the Bank's business clients

Significant Financial Strength

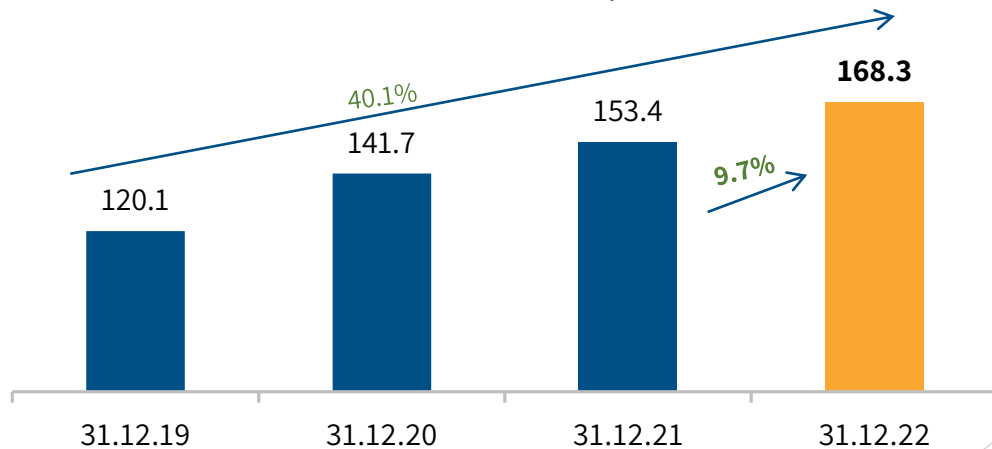
- Tier 1 capital ratio 10.42% (1.18% above the minimum regulatory requirement)
- Capital adequacy ratio 13.75% (1.25% above the minimum regulatory requirement)
- Liquidity ratio 127% (27% above the minimum regulatory requirement)
- Credit-deposit ratio 145%
- Rating: Maalot (S&P) (AAA), Midroog (Aaa) Moody's (A2)
- Credit quality:
 - The Bank maintains a moderate credit policy – high-quality, diversified credit portfolio
 - NPL -0.48%, the lowest in the system

Growth

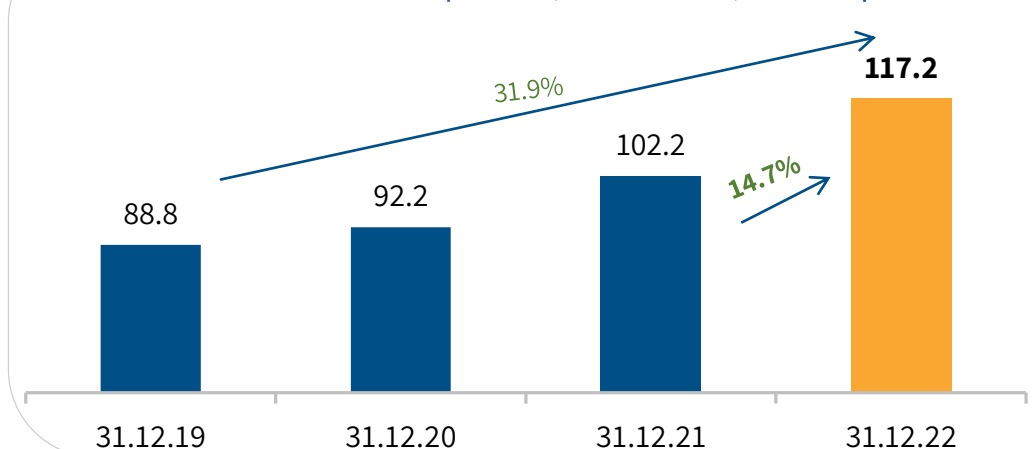
Total **income** (before provision for credit losses) (NIS millions)



Deposits (NIS billions)- end of period



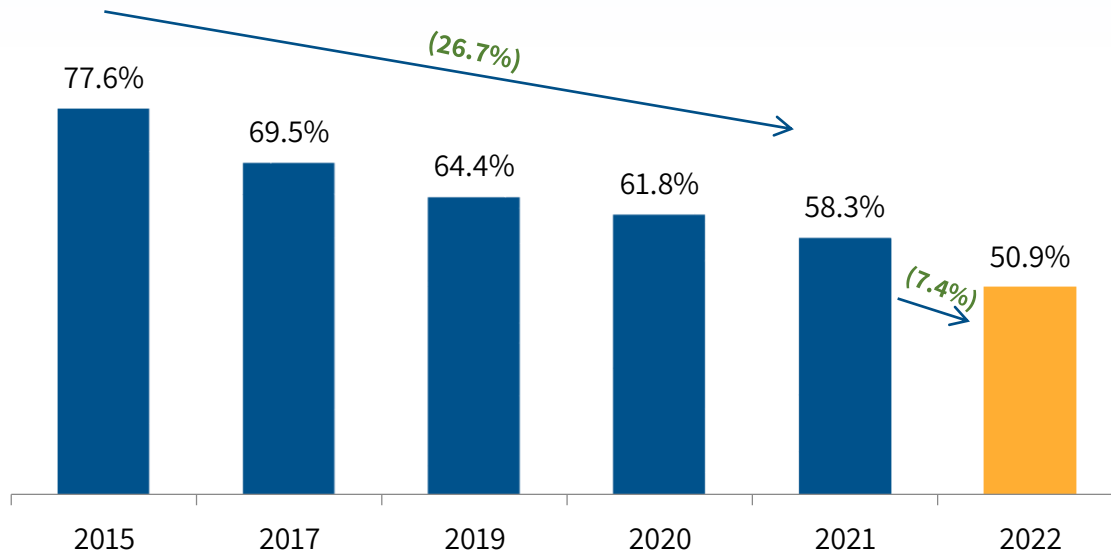
Total **credit** to public (NIS billions)-end of period



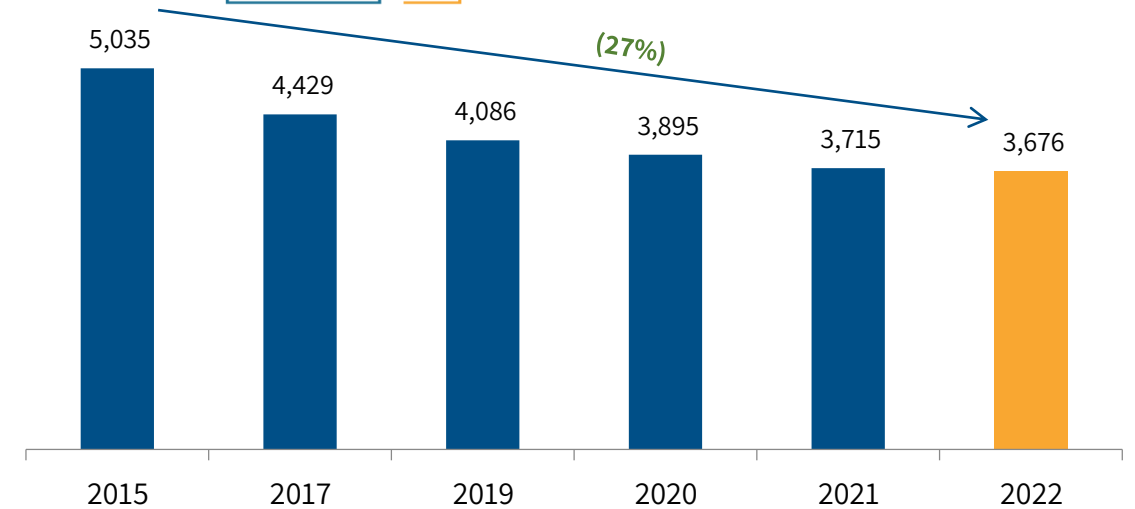
Efficiency



Efficiency ratio Improvement



Headcount (average)



Principal Information 2022

Profitability and Growth

ROE

16.6% 14.7%
2022 2021



Net income **growth**

1,667 **19%**
2022 change



Financing earnings from current activity **growth**

4,016 **41%**
2022 change



Revenue **growth**

5,414 **19%**
2022 change



Interest income **growth**

3,916 **26%**
2022 change



Commission income **growth**

1,489 **3%**
2022 change



Credit **growth**

14.7% 17.0%
31.12.22 Average 2022



Deposit **growth**

9.7% 9.3%
31.12.22 Average 2022



Efficiency and Financial Strength

Improvement in efficiency ratio

50.9% 58.3%
2022 2021



Decrease in employment positions

3,676 **(1.0%)**
Average 2022 change



Income (expenses) from credit losses

0.11% (0.23%)
2022 2021



Tier 1 capital ratio

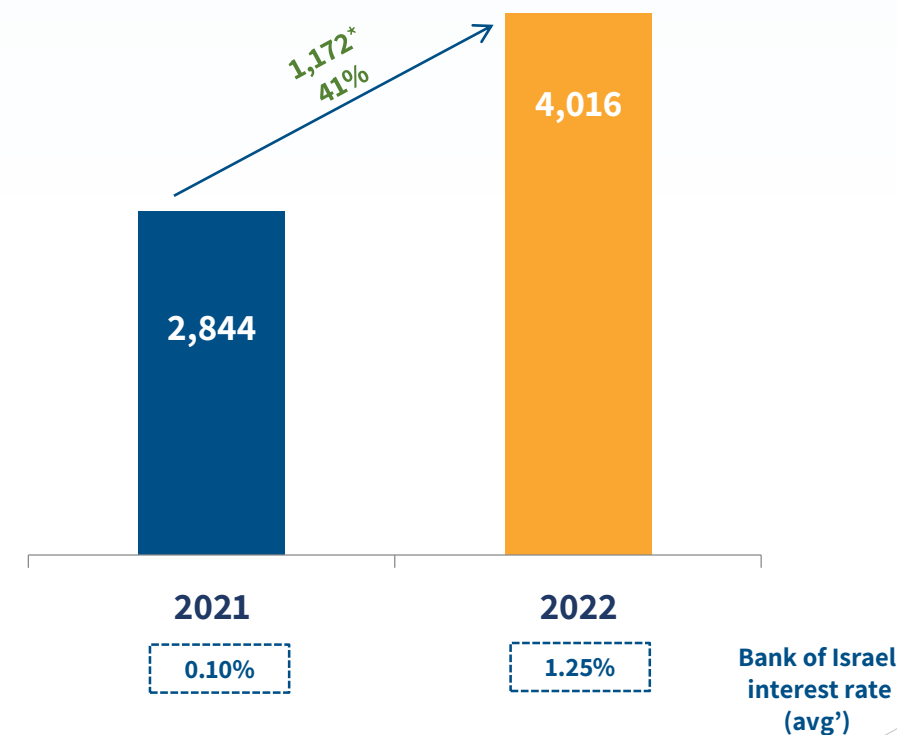
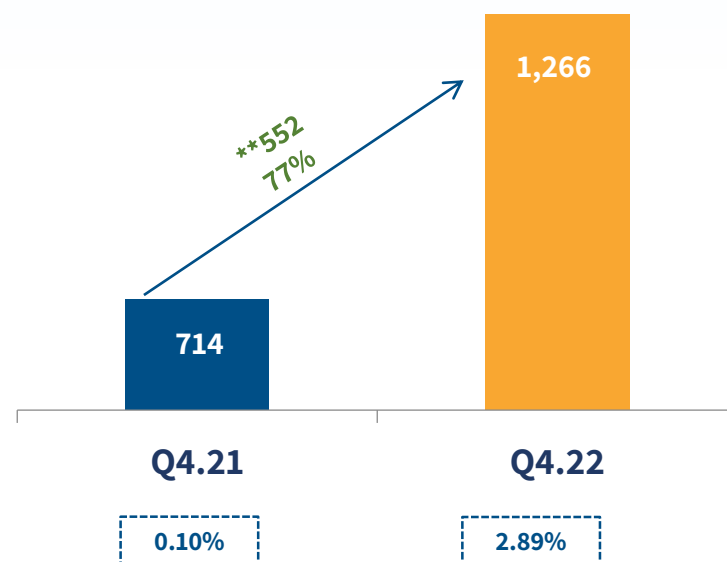
10.42% 11.46%
2022 2021



Net Financing Earnings

(NIS millions)

Financing earnings from current activities
(excluding fair value of derivatives and investment income)

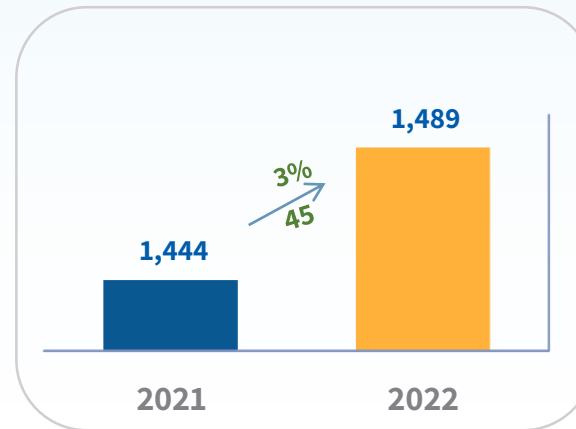




** Impact of CPI on revenue growth – NIS 36 million. Excluding the impact of CPI, an increase of 73%.

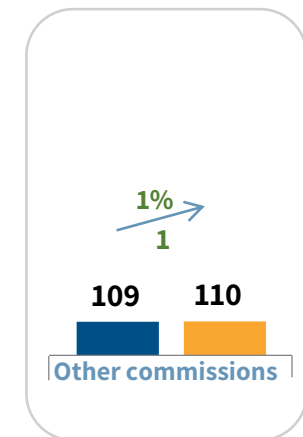
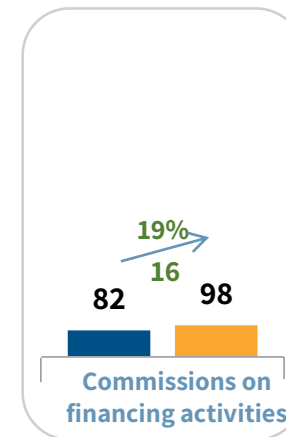
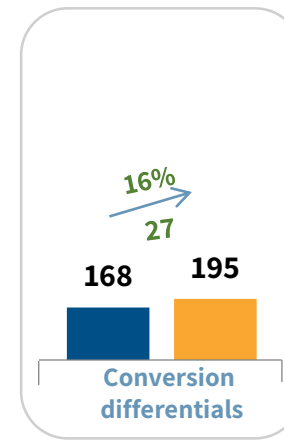
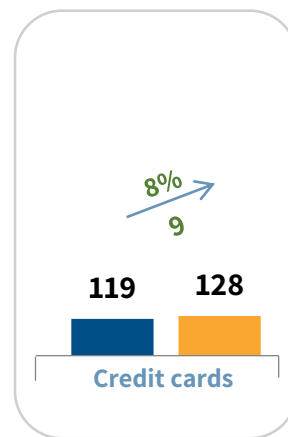
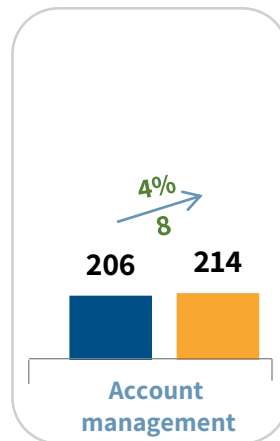
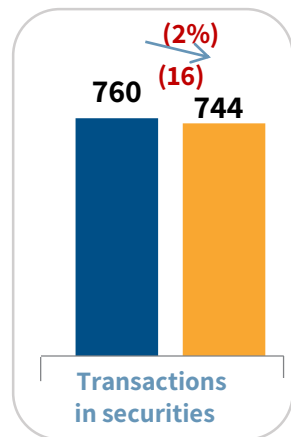
* Impact of CPI on revenue growth – NIS 139 million. Excluding the impact of CPI, an increase of 38%.

Main Commissions

(NIS millions)



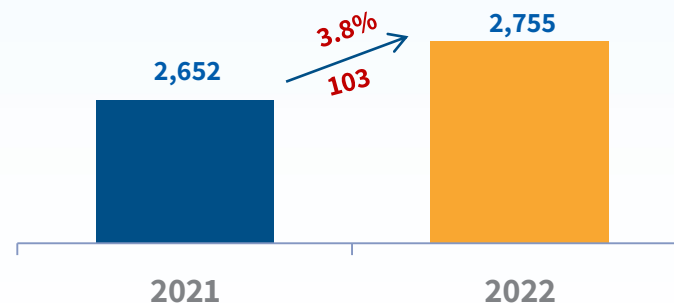
2022 
2021 



Total Operating Expenses

(NIS millions)

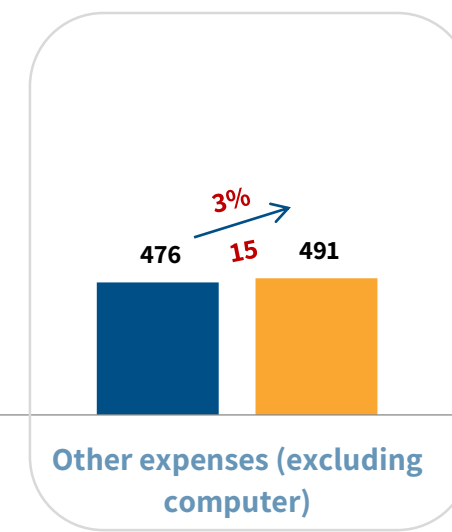
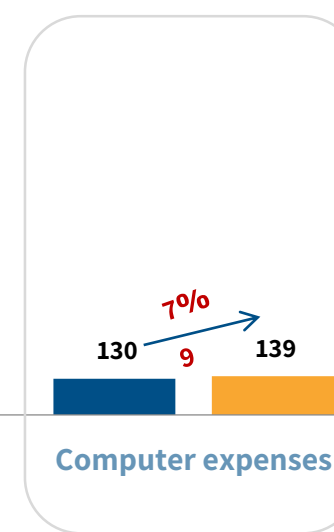
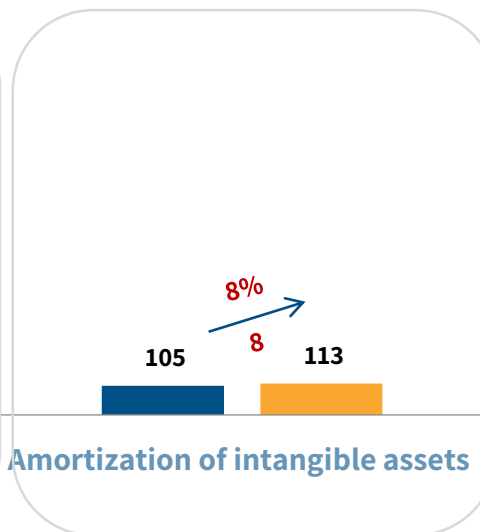
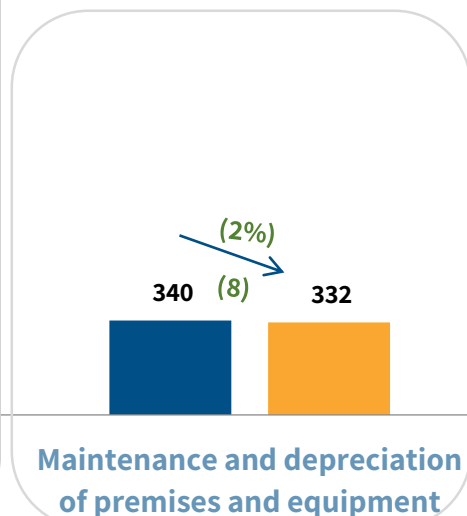
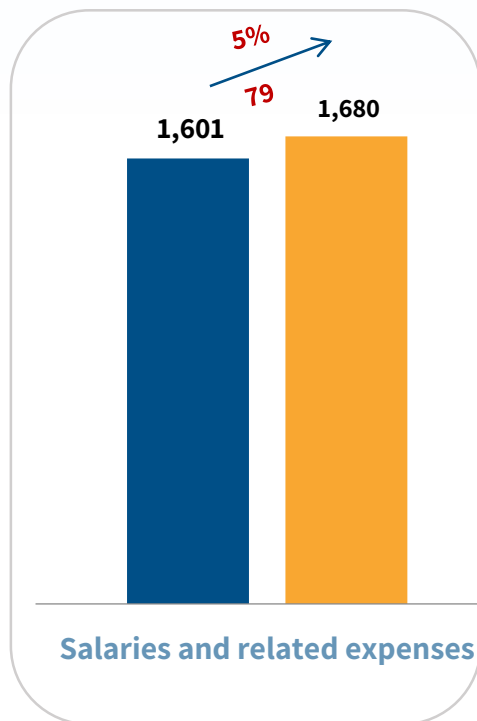
Total Operating Expenses



2022



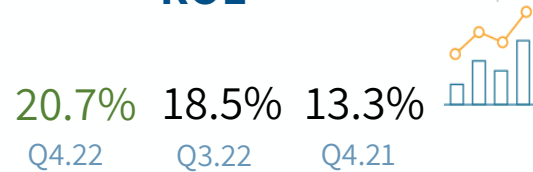
2021



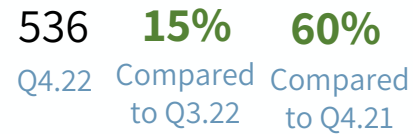
Principal Information Q4.22

Profitability

ROE



Net income **growth**



Revenue **growth**

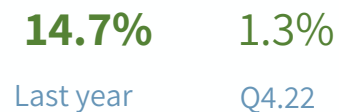


Financing earnings from current activity **growth**



Growth

Credit **growth** (end of period)



Growth in the private client asset portfolio



Deposit **growth** (end of period)

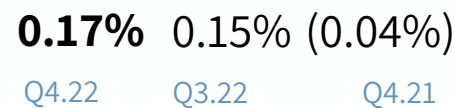


Efficiency and Financial Strength

Improvement in efficiency ratio



Income (expenses) from credit losses



Tier 1 **capital ratio**

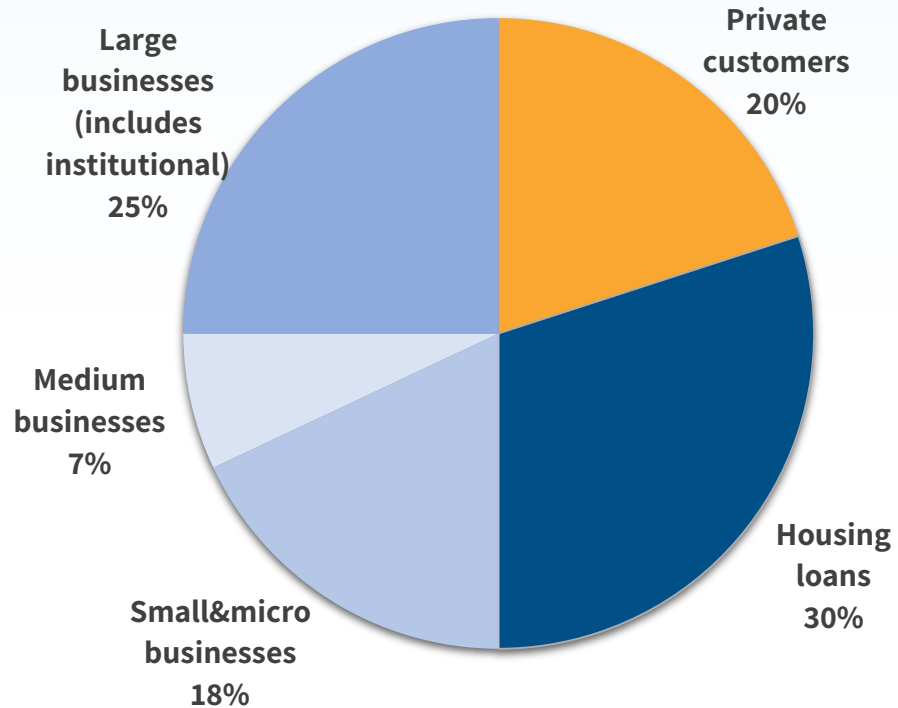
10.42%

1.18% above minimum capital ratio required by the Supervisor of Banks

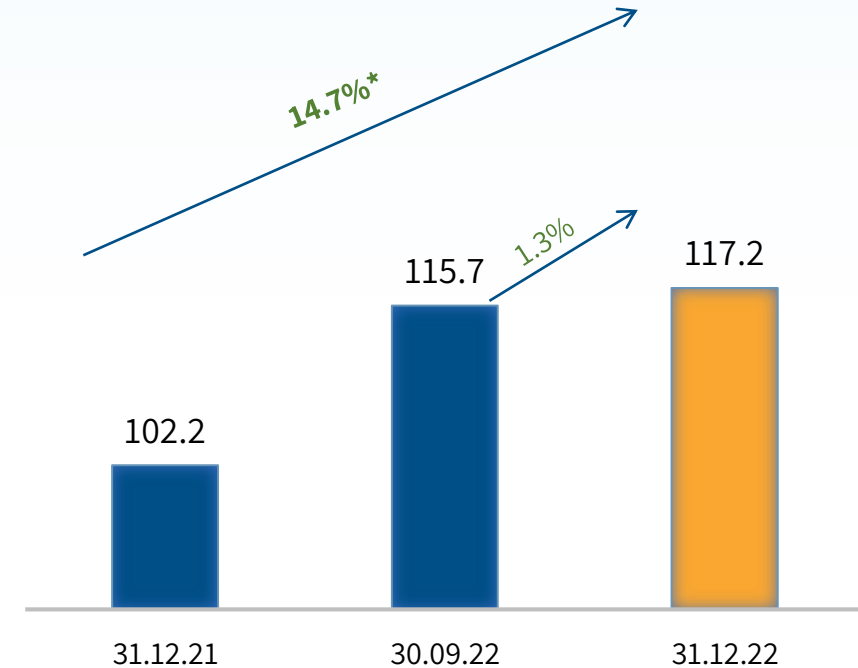
Credit Portfolio Growth

End of period (NIS billions)

31.12.2022



Housing loans & households comprise 50% of credit portfolio
High quality, diversified credit

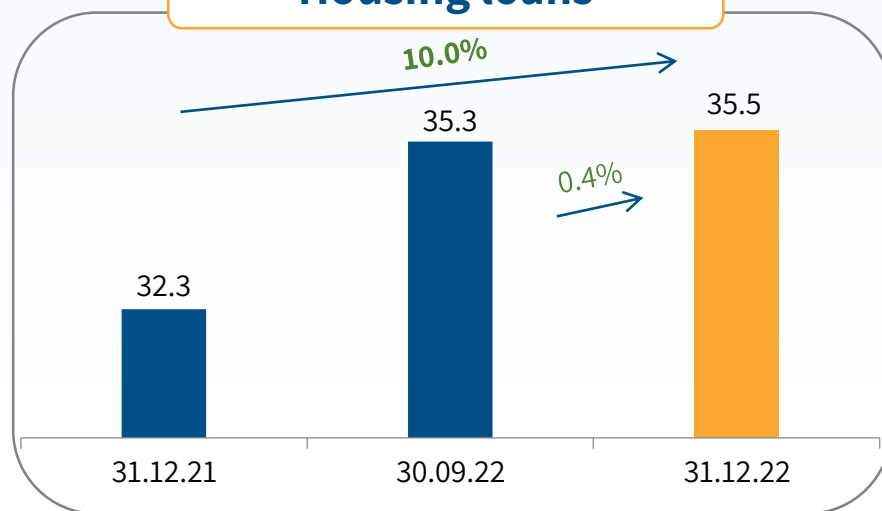


***Total average credit balance increased by 17% in 2022 (NIS 16.1 billion).**

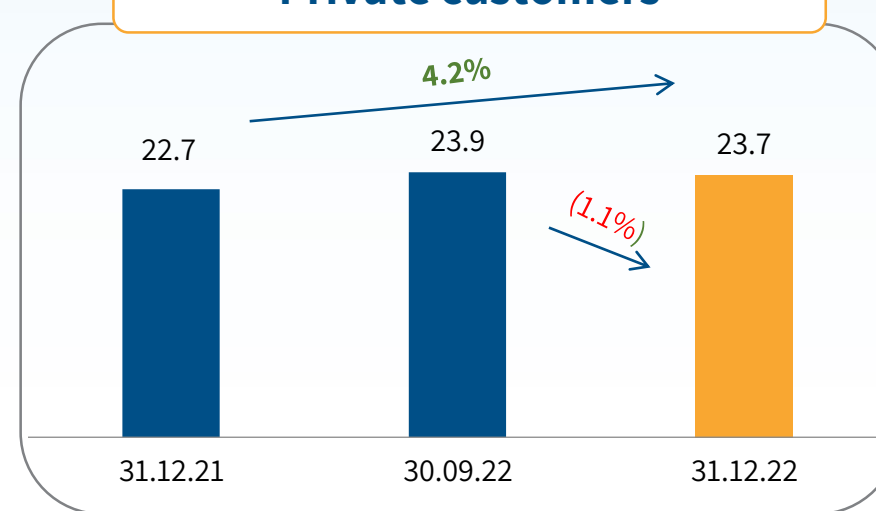
Credit Portfolio Growth

End of period (NIS billions)

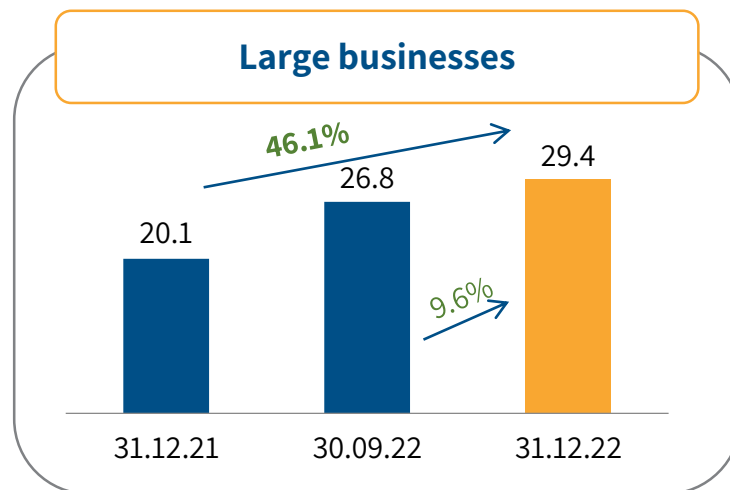
Housing loans



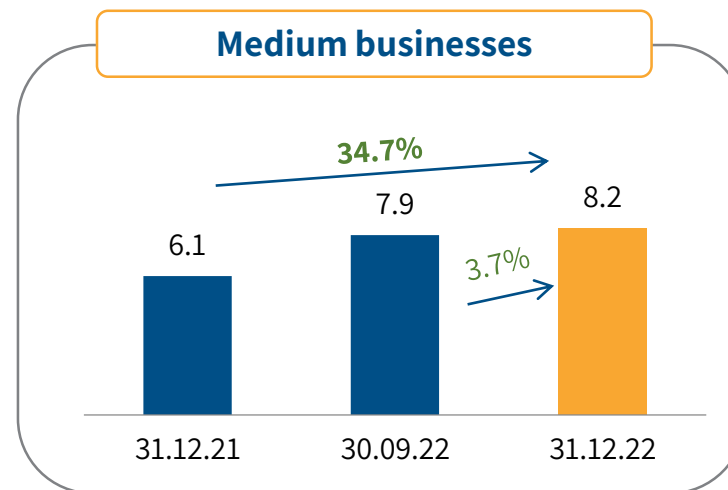
Private customers



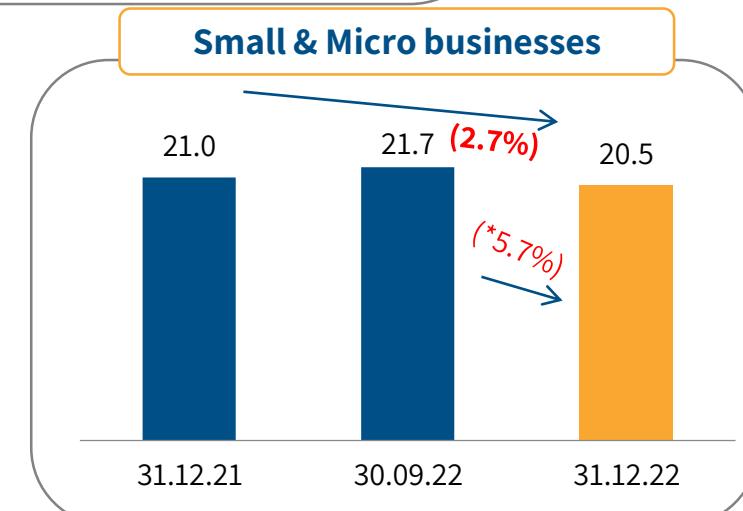
Large businesses



Medium businesses



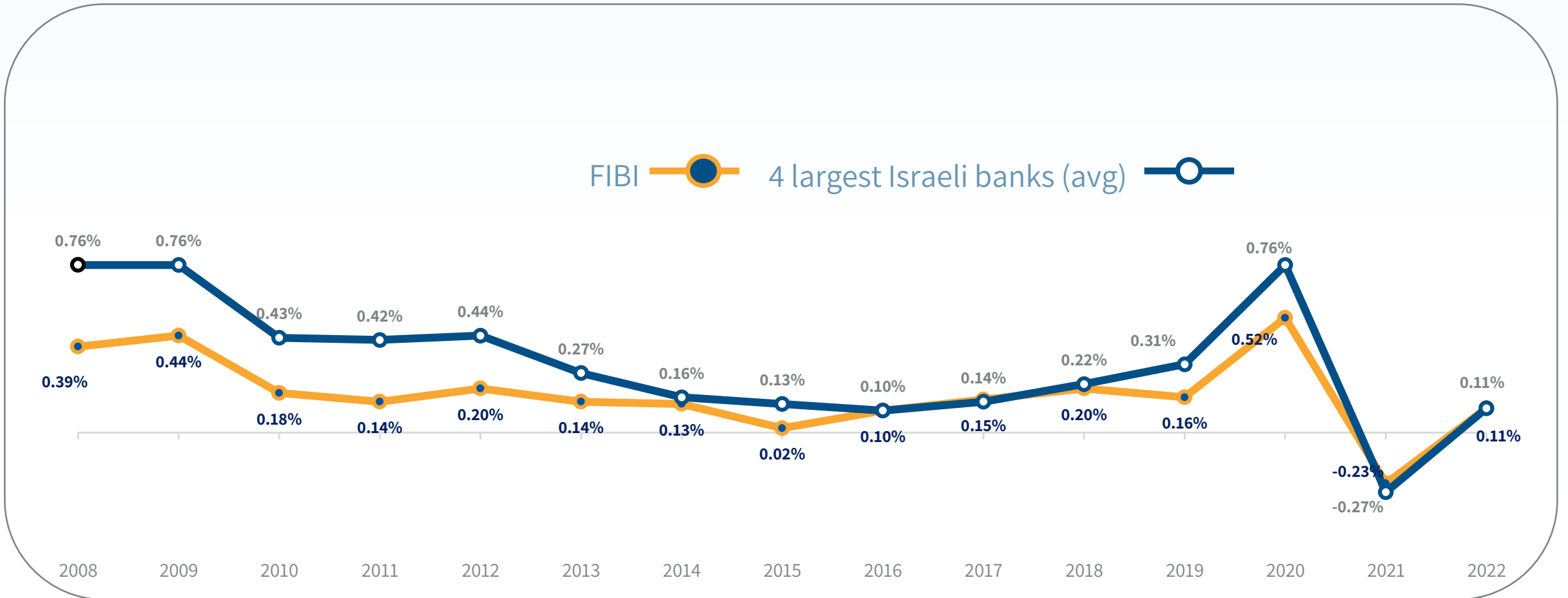
Small & Micro businesses



* Largely due to the movement of balances to the medium business segment due to growth in the volume of companies.

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

FIBI's moderate credit policy resulted in lower provision rates



Credit Quality and Problematic Credit Risk

Problematic credit risk (NIS millions) and credit quality indices

	31.12.21	31.12.22
Problematic credit risk (nonaccrual)	551	603
Problematic credit risk (accrual)	1,382	888
Credit risk (regarding problematic nostro bonds)	3	6
Decrease in total problematic credit risk*	1,936	1,497 ↘ -23%
Ratio of provision for credit losses to credit to the public	1.13%	1.12%
Ratio of nonaccrual debts or debts 90 days or more past due to credit to the public (NPL)	0.63%	0.48% ↘

Low=good

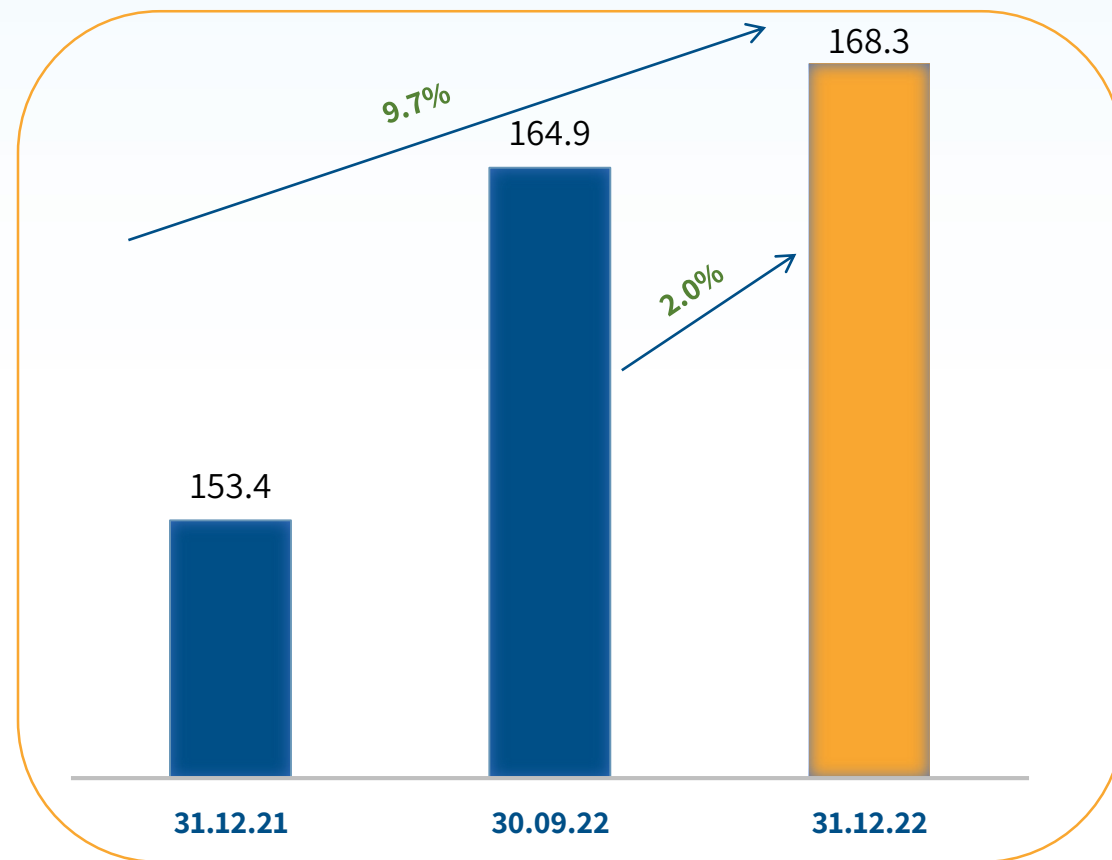
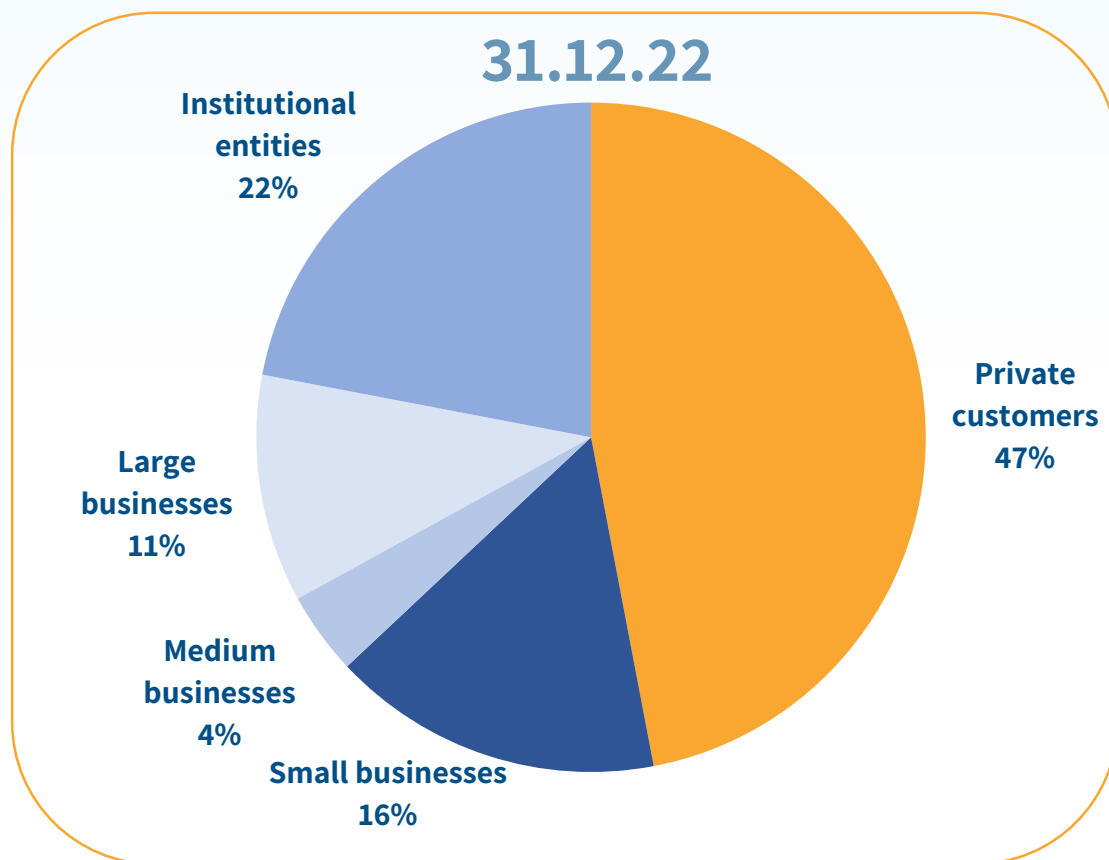
Provision for credit loss ratios

	2021	2022	Q4.22
Individual provision	(0.04%)	(0.04%)	(0.01%)
Collective provision*	(0.19%)	0.15%	0.18%
Provision for credit losses	(0.23%)	0.11%	0.17%

***Increased provision buffers** in consideration of possible consequences resulting from projected changes in the economic environment.

Deposit Growth

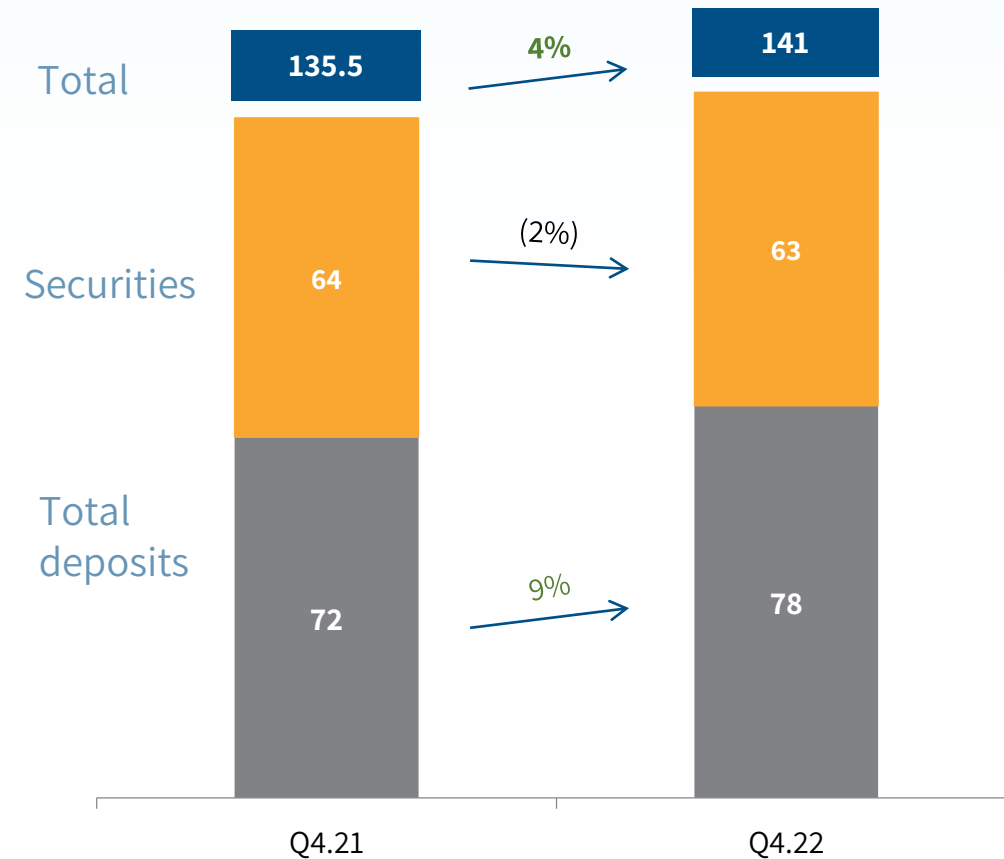
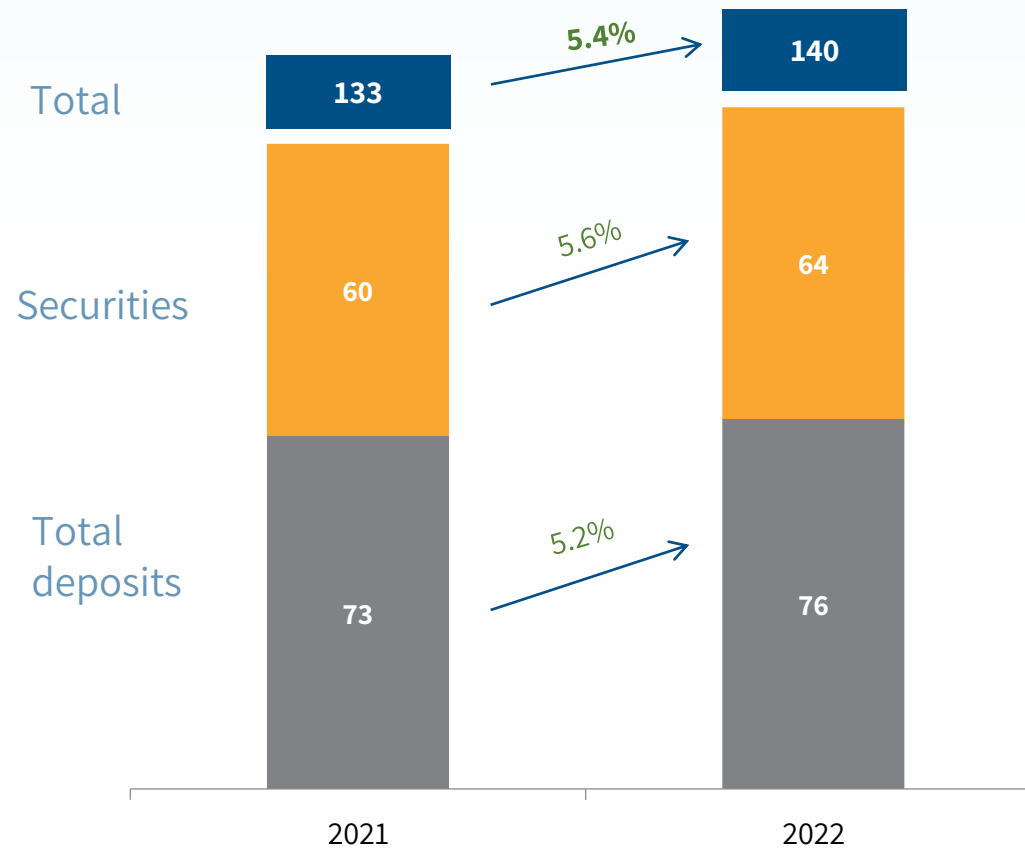
End of period (NIS billions)



* Diversified deposit portfolio- 63% private customers and small businesses

Total Private Customers AUM Growth

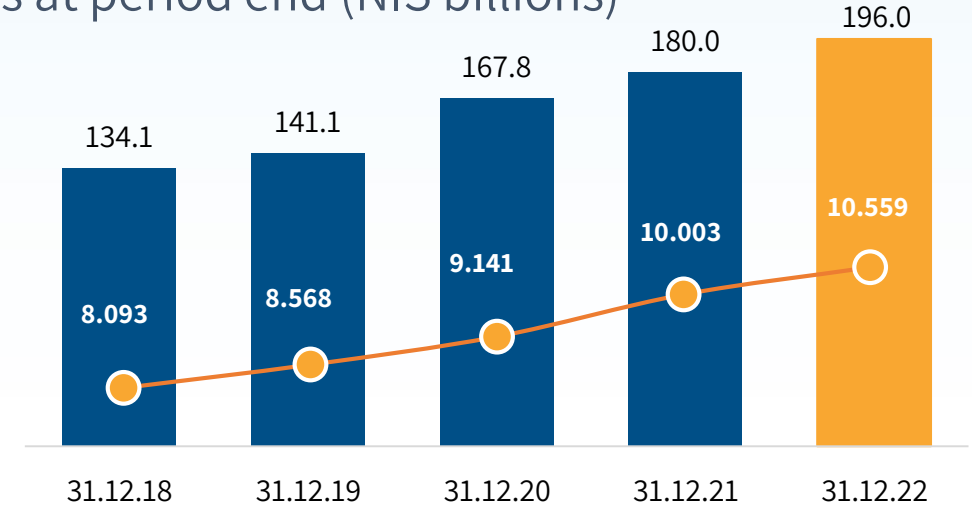
Average balances (NIS billions)



Robust Financial Strength

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

	2018	2019	2020	2021	2022
Tier 1 capital ratio	10.51%	10.81%	11.18%	11.46%	*10.42%
Gap from the required regulatory Tier 1 capital ratio	13.94%	13.70%	14.46%	13.59%	**13.75%
Total capital ratio*	122%	128%	150%	128%	127%
Total deposit to credit balance	133%	137%	156%	152%	145%

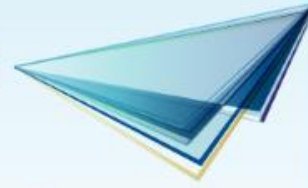


Leverage ratio	5.76%	5.81%	5.29%	5.34%	5.19%
Leverage ratio excluding deposits at the BOI**	7.2%	7.6%	7.7%	7.5%	7.0%

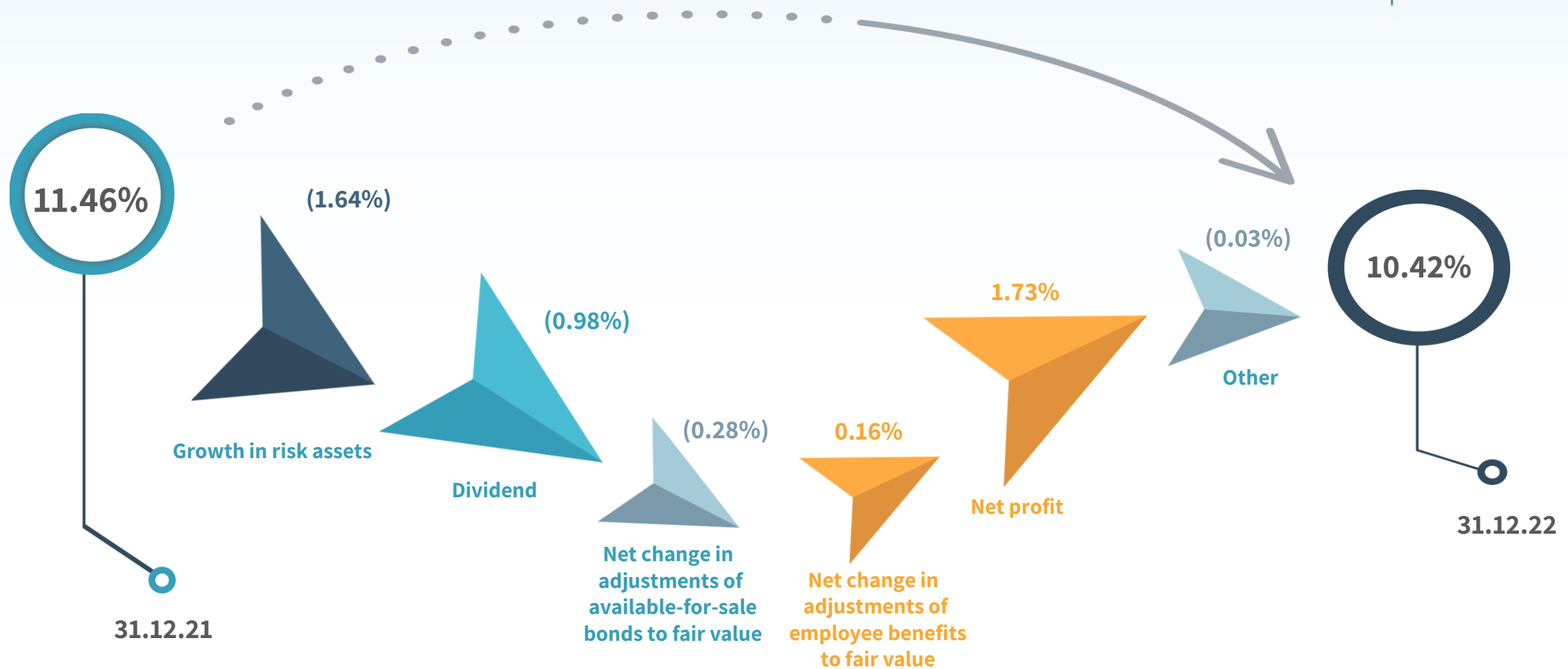
* 1.18% above the minimum Tier 1 capital ratio regulatory requirement (9.24%)

** 1.25% above the minimum comprehensive ratio regulatory requirement (12.5%)

Equity attributable to shareholders
Total balance

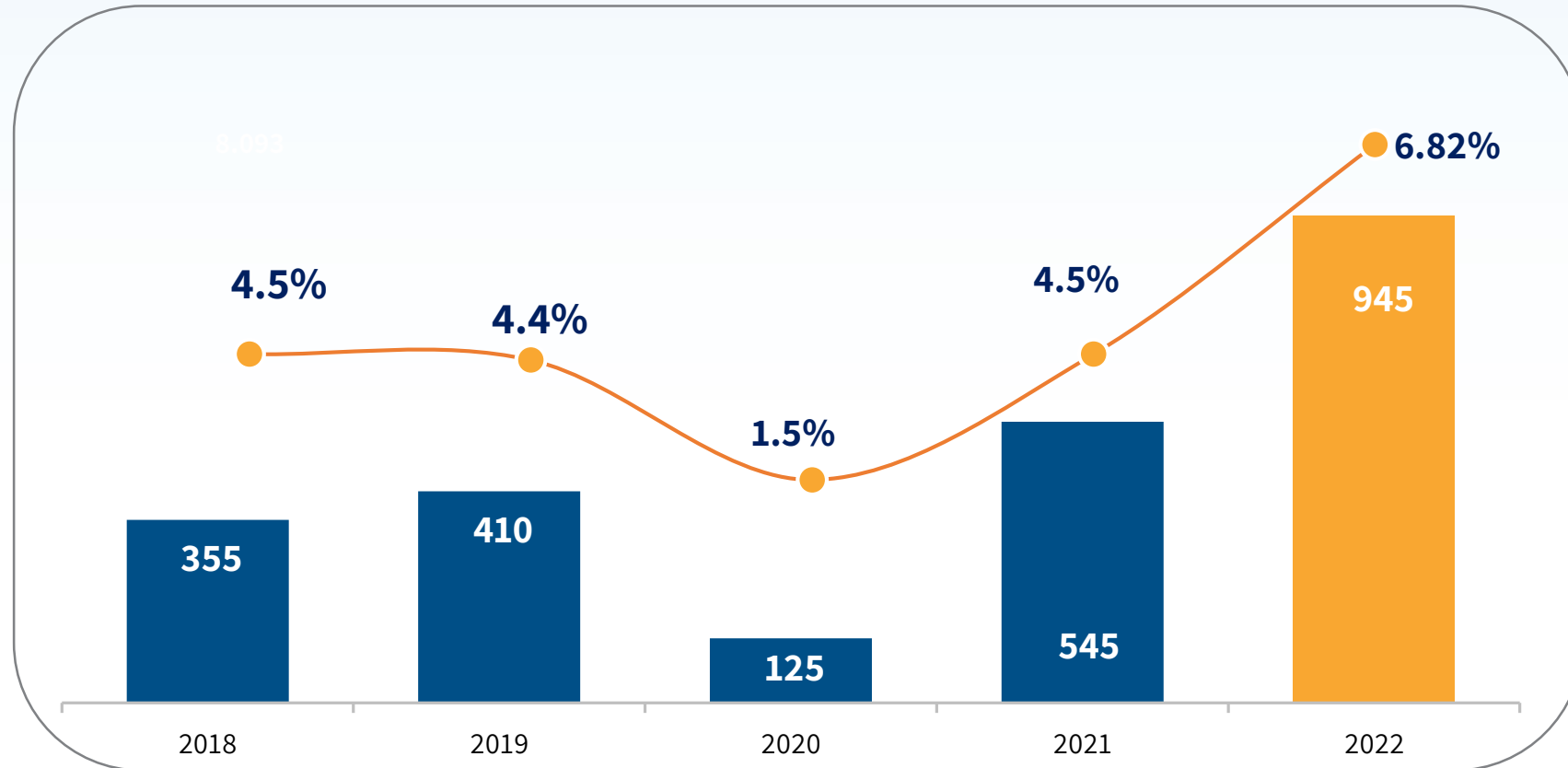


Net Changes in Tier 1 Capital Ratio (1-12.2022)



Highest Dividend Yield in the Banking System

(NIS millions)

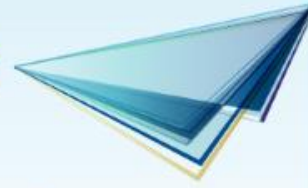


On 21.3.23, the Board of Directors of the Bank passed a resolution to approve the payment of a cash dividend to shareholders at a total of NIS 268 million, constituting 50% of net profit for Q4.2022.

Securities Portfolio

	31.12.22			31.12.21		
	Book value (NIS millions)	Duration	%	Book value (NIS millions)	%	Change %
A . Bonds held to maturity	3,138	3.67	20%	2,488	16%	26%
Of which: Israel government (94%)	2,941	3.64	18%	2,277	15%	29%
B . Bonds available to for sale	12,401	2.12	77%	11,639	77%	7%
Of which: Israel government (65%)	8,041	2.67	50%	9,691	64%	(17%)
Of which: US government (30%)	3,683	0.72	23%	1,342	9%	174%
C . Investment in not-held-for-trading securities	444	-	3%	731	5%	(39%)
D . Held-for trading securities	27	-	0%	233	2%	(88%)
Total securities	16,010	2.43	100%	15,091	100%	6%

Israel government bonds & US government bonds constitute 92% of FIBI's securities portfolio



Innovation Value Proposition to Our Clients

Innovation in Private Banking and the Capital Market – Unique Tools

- TipRanks – advanced analyses and analysts' ratings
- BridgeWize – stock analysis and intelligent decision support system (AI) (to be launched shortly)
- Advise.Me – Israel's first stock advisory app



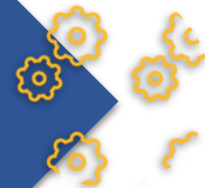
“Beyond” Loyalty Program

Delivers significant value to the Bank's clients and a response to the competition



Expansion of Key Digital Processes

- Digital account opening for a variety of client groups
- Digital mortgages
- Significant upgrades in shekel and foreign currency transfers, and more

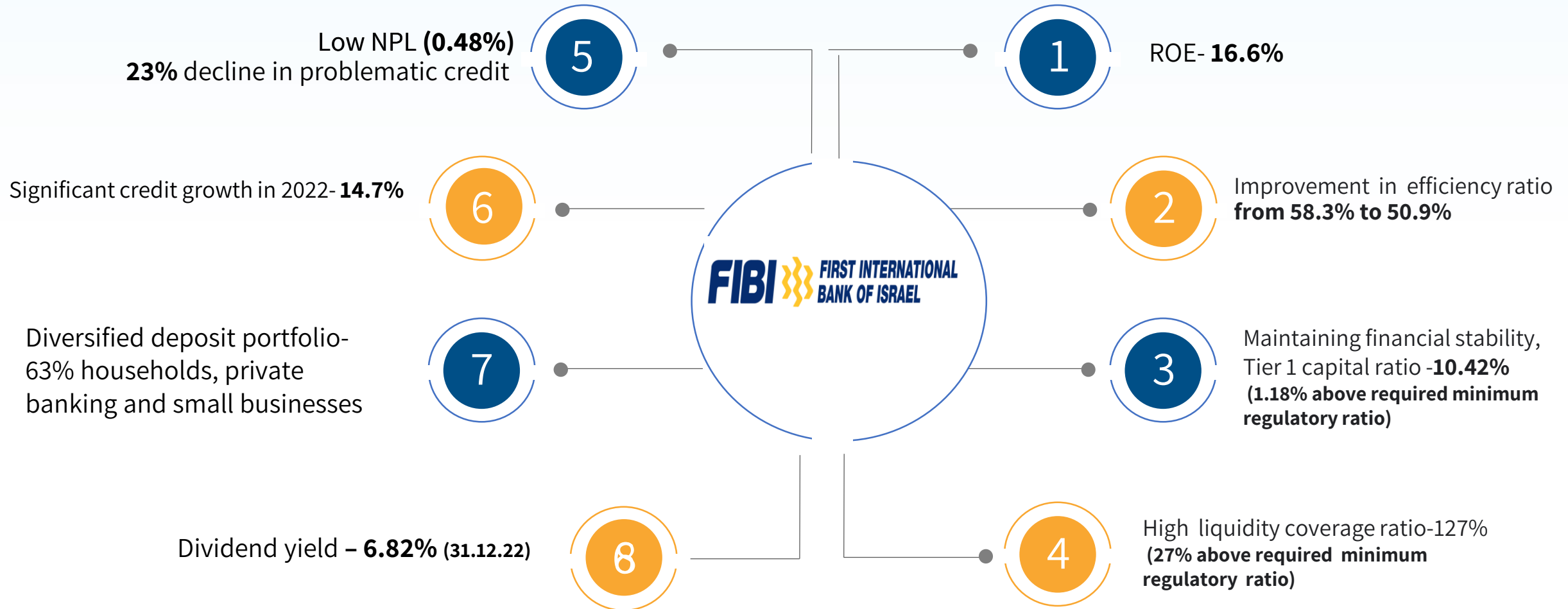


Open Banking

FIBI was the first bank to display aggregated data to clients via the MultiBank service.
The Bank is currently investing in the expansion of this service.



Key Highlights- 2022

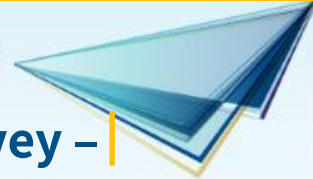


The Bank of Israel checked and found:

The First International Bank
is Number 1
in customer satisfaction
and the leader in five
categories



FIBI



Bank of Israel Service Satisfaction Survey – Private Clients

- **Number 1** in satisfaction with service at the branch
- **Number 1** in satisfaction with the website
- **Number 1** in satisfaction with the app
- **Number 1** in satisfaction with the call center
- **Number 1** in satisfaction with waiting times at the branch

▪ Source: BOI Satisfaction Survey, 2022

Thank You