



# FIBI

## **Financial Statements**

as of December 31, 2021

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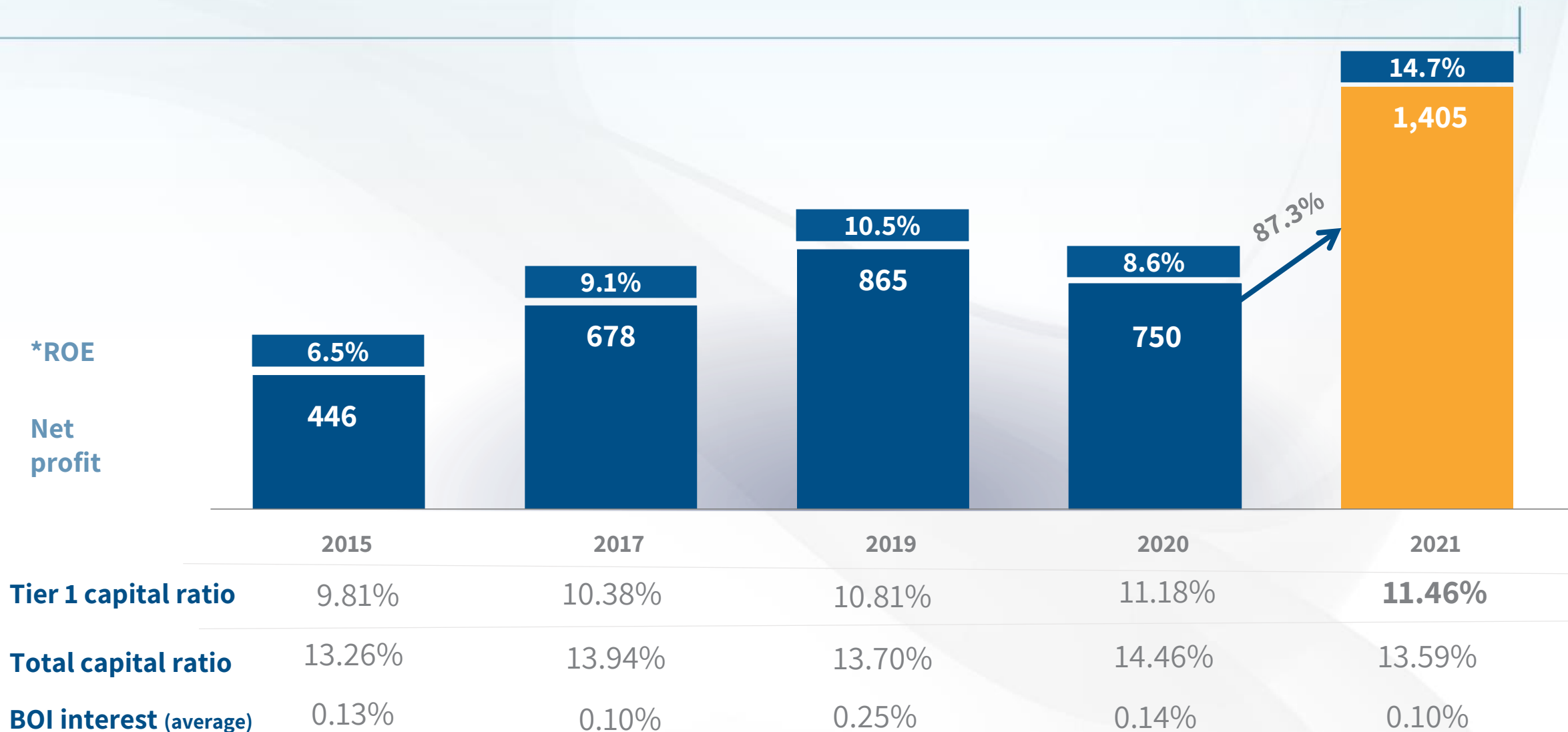
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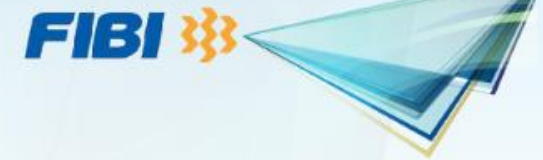
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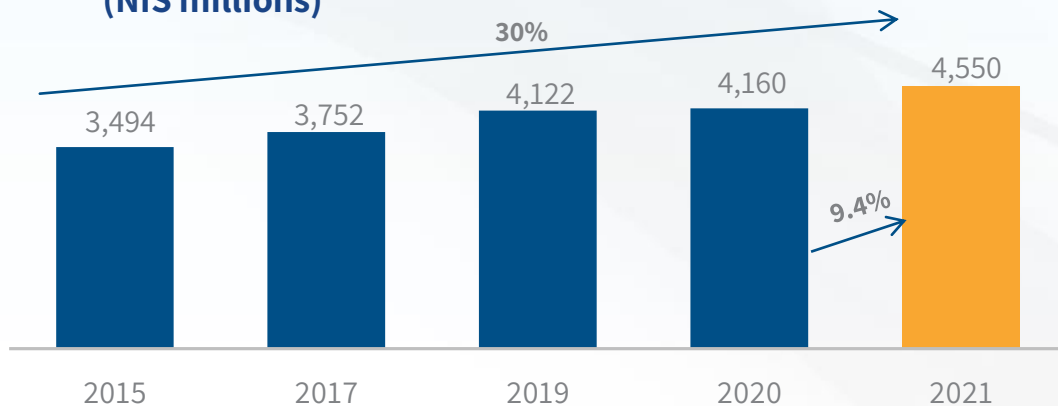
# Net Profit and ROE (NIS millions)



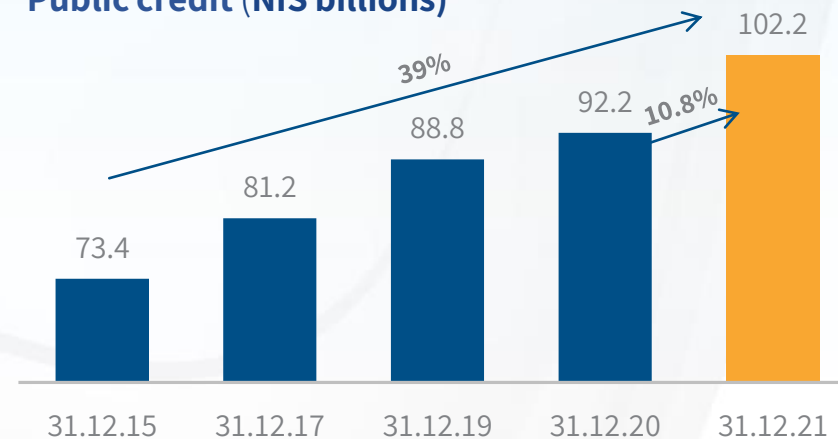
# Continuous Growth



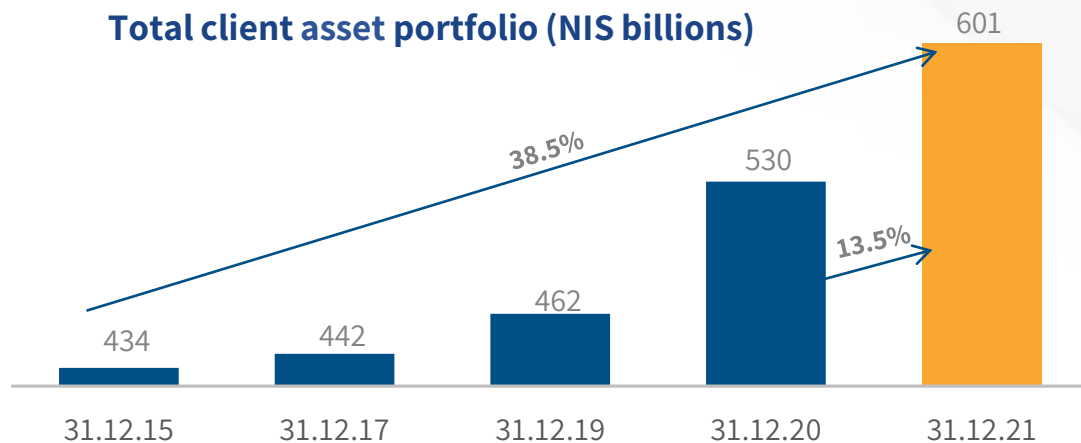
**Total revenues before provision for credit losses  
(NIS millions)**



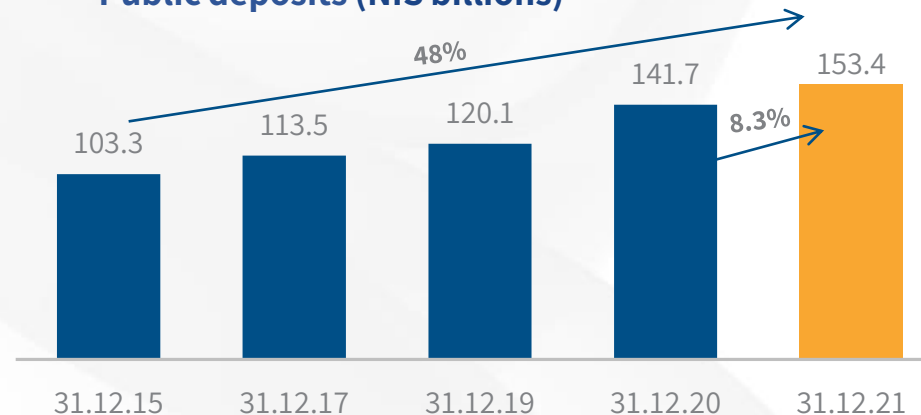
**Public credit (NIS billions)**



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



**Public deposits (NIS billions)**

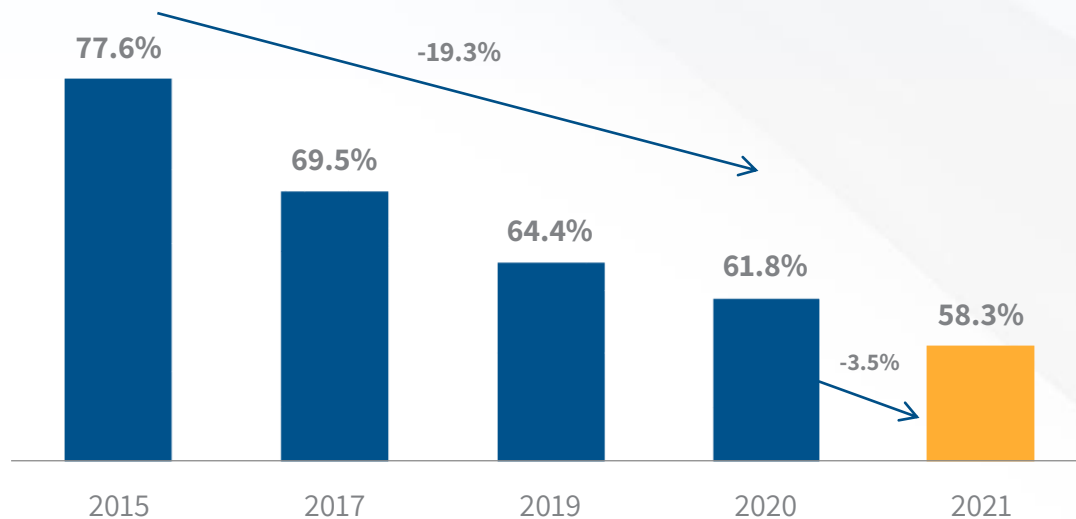


# Efficiency Enhancement

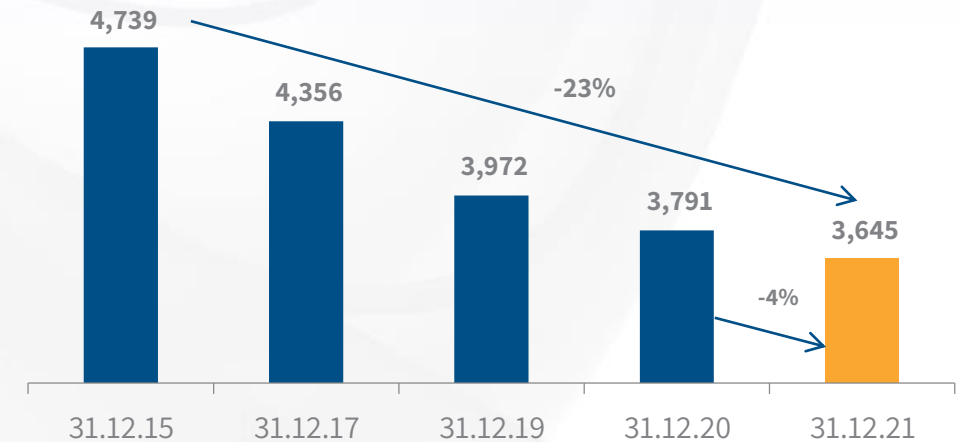
Headcount has decreased by 23% since the end of 2015



Consistent improvement  
in the efficiency ratio



Employment positions



# Principal Information 2021

## Profitability

### ROE\*

**14.7%** 8.6%  
2021 2020



### Net income **growth**

1,405 **87.3%**  
2021 change



### Revenue **growth**

4,550 **9.4%**  
2021 change



### Interest income **growth**

3,097 **11.2%**  
2021 change



### Commission income **growth**

1,444 **5.3%**  
2021 change



## Growth

### Credit **growth**

**10.8%** 5.3%  
31.12.21 Average 2021



### **Growth** in the client asset portfolio

**13.5%** 25.5%  
31.12.21 Average 2021



### **Growth** in deposits

**8.3%** 12.4%  
31.12.21 Average 2021



### **Growth** in total balance

180,5 **7.6%**  
31.12.21 change



## Efficiency and Financial Strength

### **Improvement** in the efficiency ratio

**58.3%** 61.8%  
2021 2020



### **Decrease** in employment positions

3,715 **(4.6%)**  
Average 2021 change



### **Income (expenses) from credit losses**

**(0.23%)** 0.52%  
2021 2020



### **Tier 1 capital ratio**

**11.46%** 11.18%  
2021 2020





# Principal Information Q4.21 vs Q4.20

## Profitability

### ROE

**14%** 9.6%  
Q4.21 Q4.20

### Net income **growth**



333 **58.6%**  
Q4.21 change

### Revenue **growth**



1,179 **12%**  
Q4.21 change

### Interest income **growth**



**793** **12%**  
Q4.21 change

### Commission income **growth**



387 **12%**  
Q4.21 change

## Growth

### Credit **growth**

**10.8%** 9% 5.4%  
31.12.21 Average 2021 Q4.21 vs Q3.21



### **Growth** in the client asset portfolio

**13.5%** 18%  
31.12.21 Average 2021



### **Growth** in deposits

**8.3%** 7.5%  
31.12.21 Average 2021



## Efficiency and Financial Strength

### **Improvement** in the efficiency ratio

**59.3%** 64.0%  
Q4.21 Q4.20



### **Income (expenses)** from credit losses

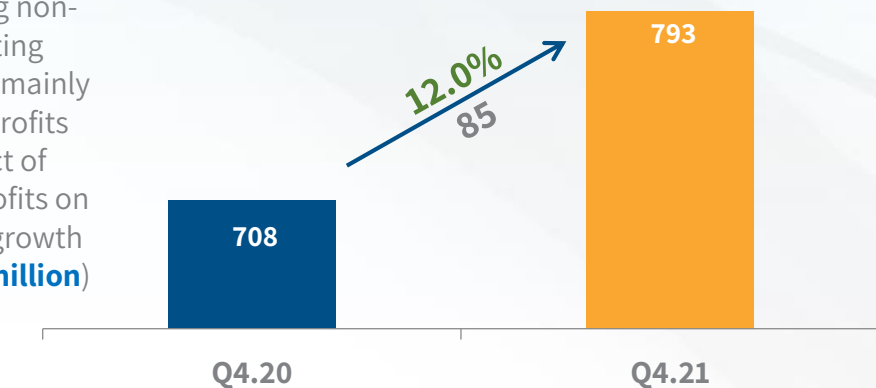
**(0.04%)** **0.23%**  
Q4.21 Q4.20



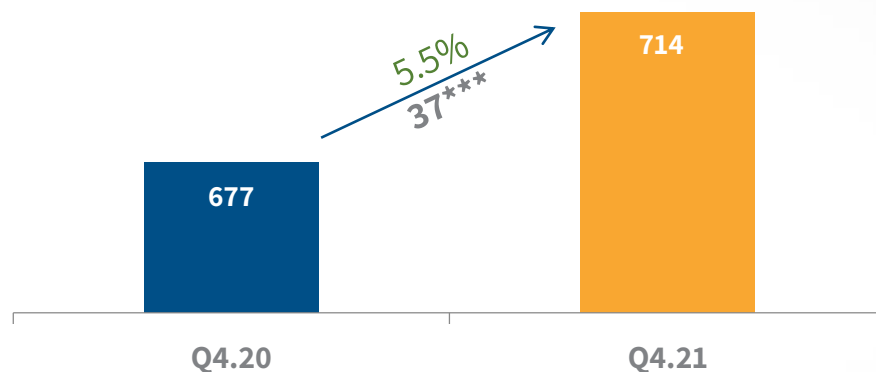
# Income from Financing Activities (NIS millions)

## Financing earnings – interest and other Q4.21

Excluding non-operating activities, mainly nostro profits (impact of nostro profits on revenue growth – **NIS 40 million**)



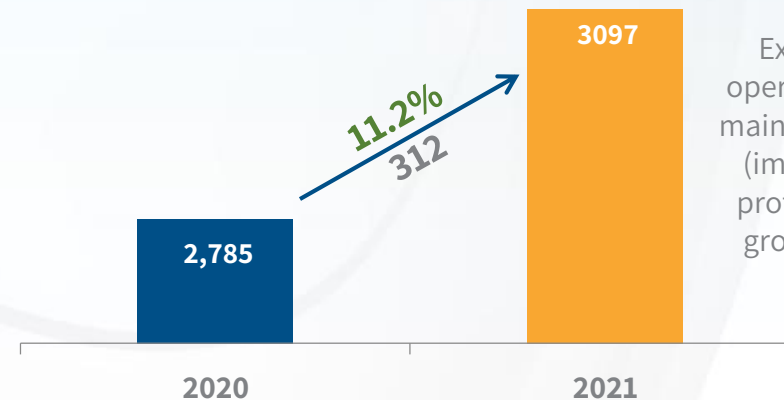
## Financing earnings from operating activities



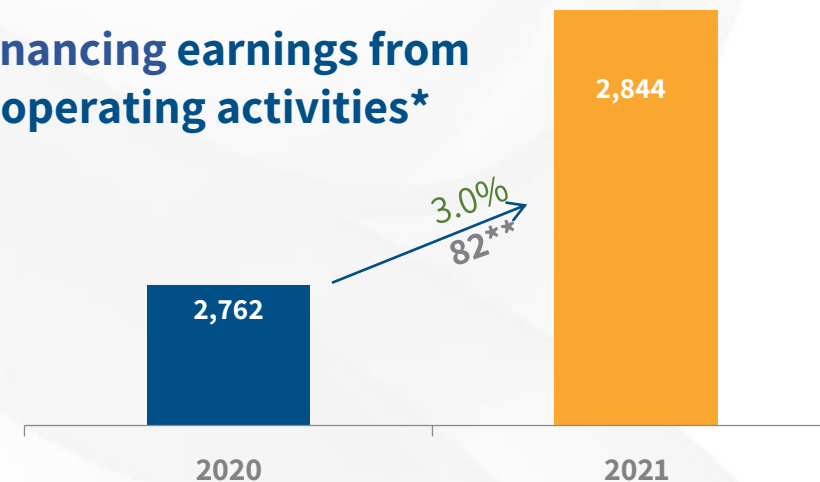
\*\*\* (impact of CPI on revenue growth – NIS 11 million)

## Financing earnings – interest and other 2021

Excluding non-operating activities, mainly nostro profits (impact of nostro profits on revenue growth – **NIS 228 million**)



## Financing earnings from operating activities\*



\*This increase was partially offset by erosion of the spreads as a result of the decrease in the Bank of Israel interest rate (-0.04%) and a decrease in the Fed rate (-0.29%).

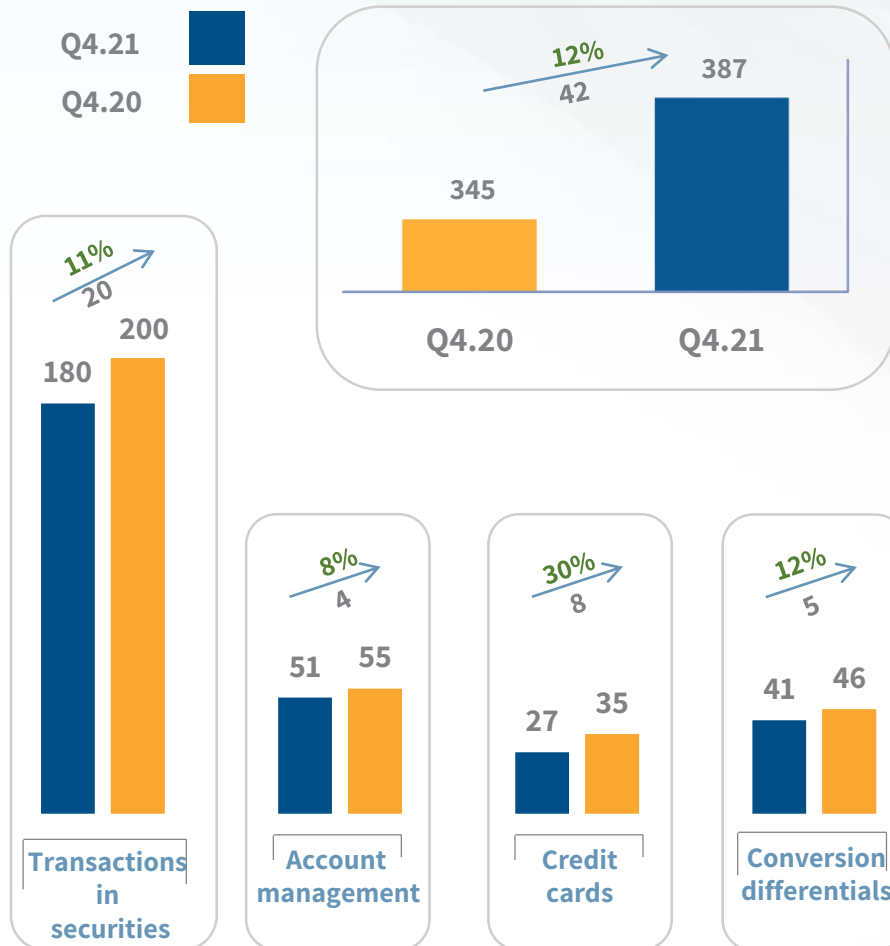
\*\* (Impact of CPI on revenue growth – NIS 118 million)



# Commissions & Charges for Banking Operations

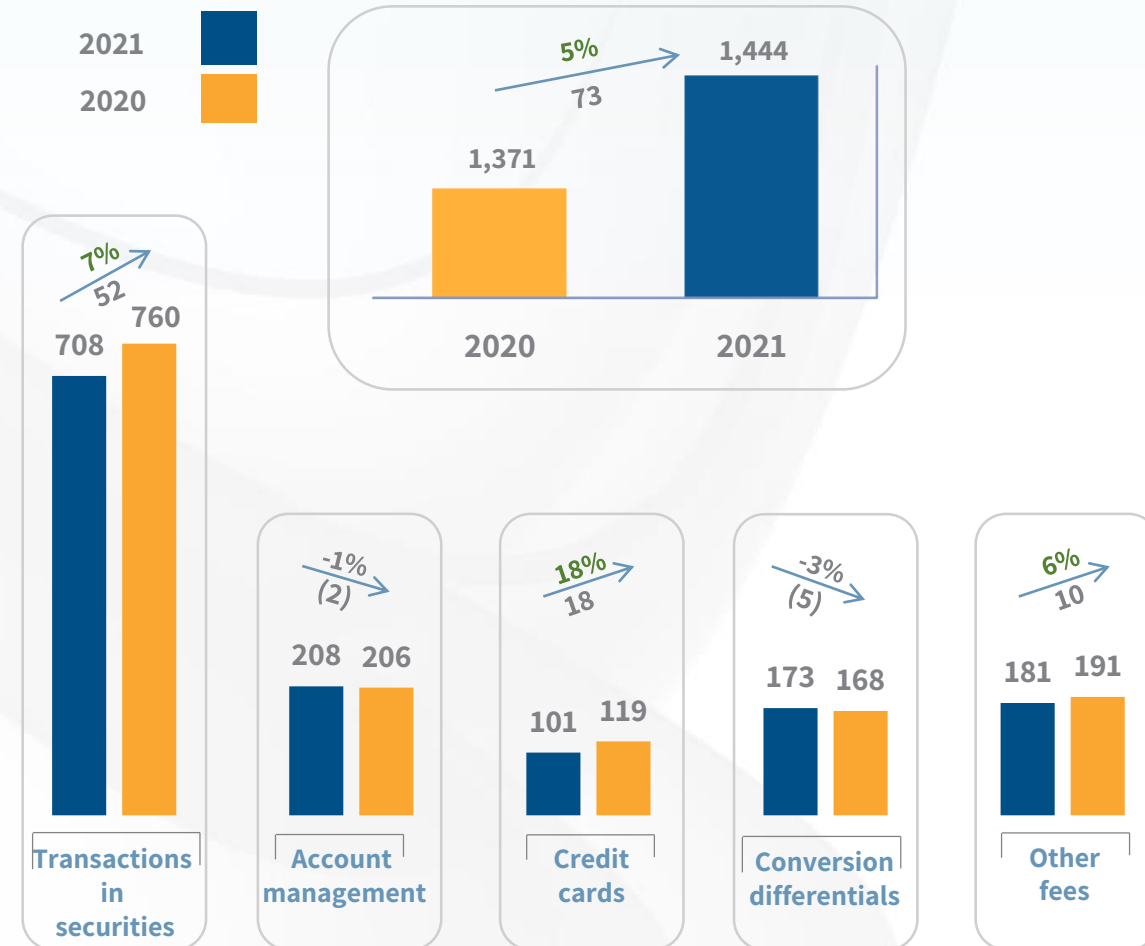
Q4.21

Q4.21  
Q4.20

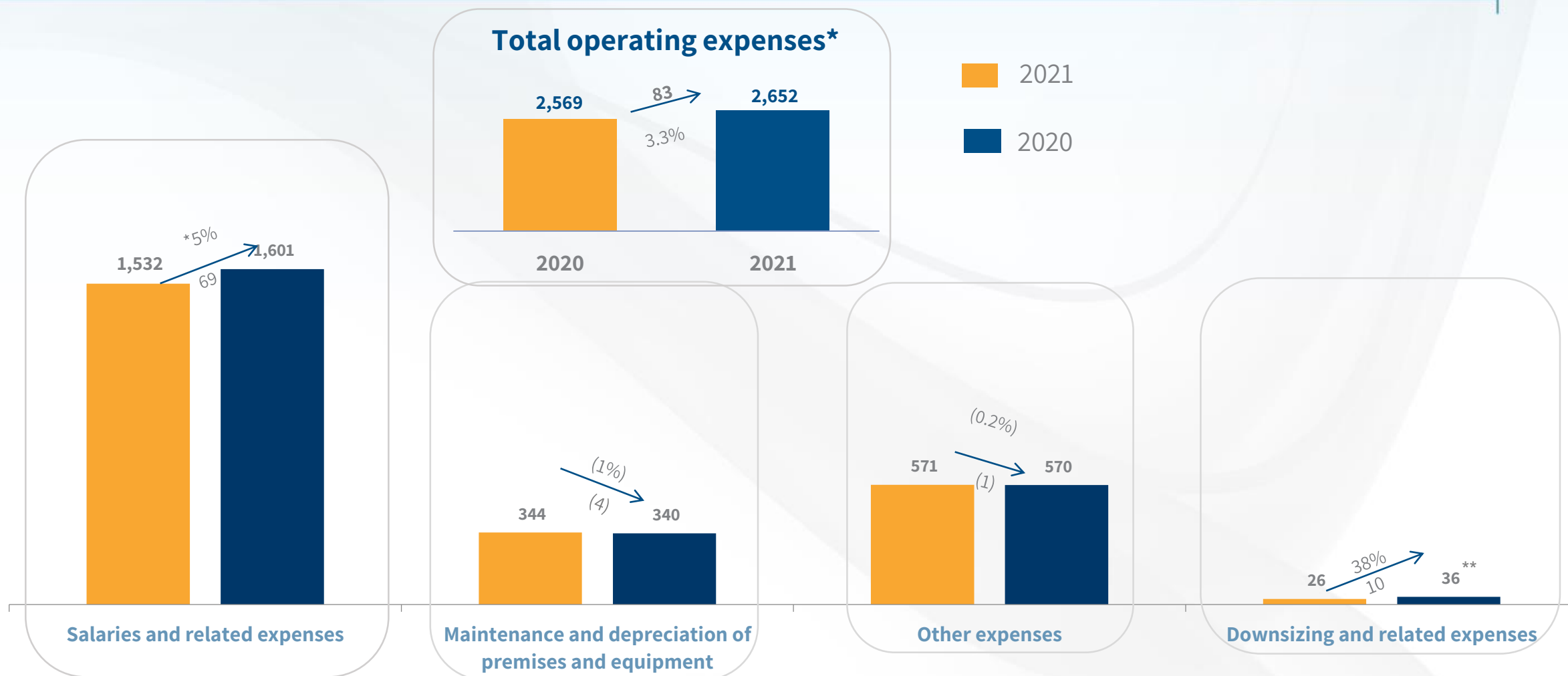


2021

2021  
2020



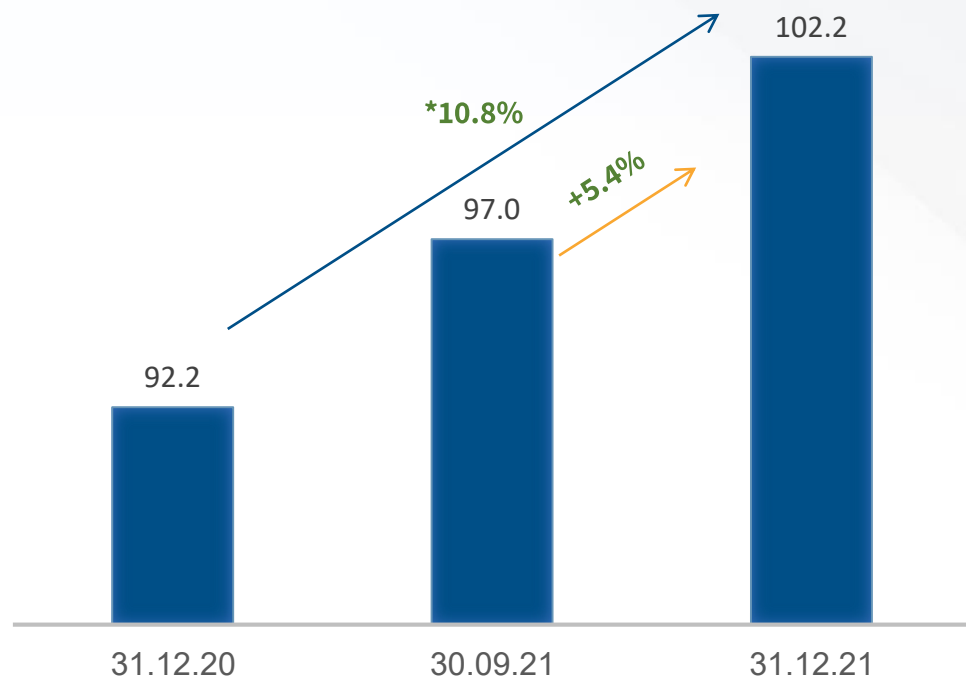
# Total Operating & Other Expenses (NIS millions)



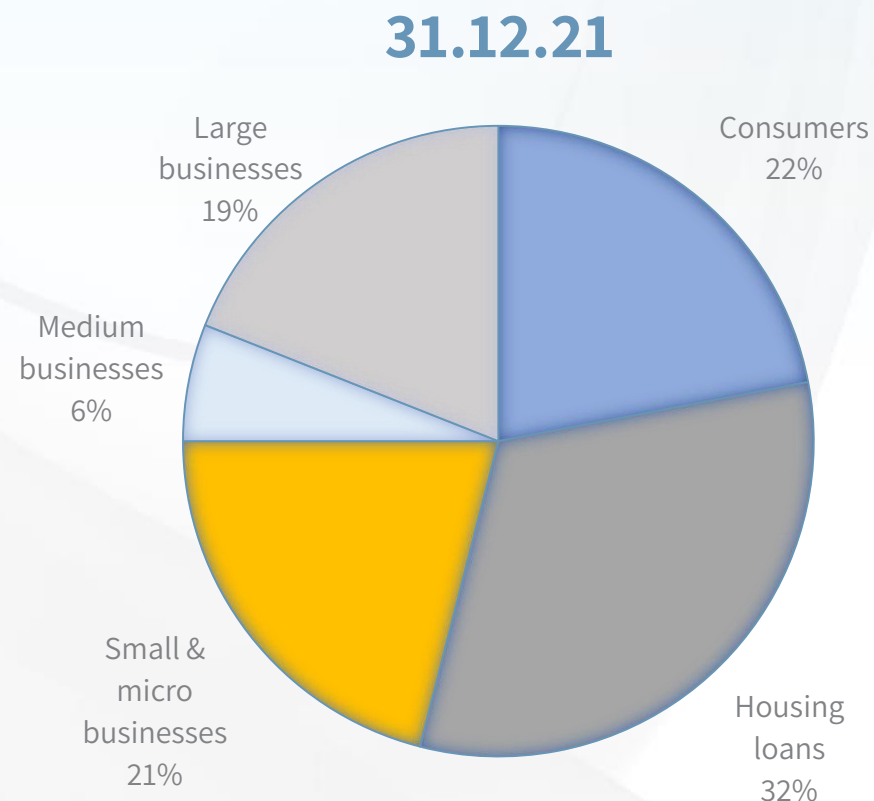
\*The increase in salaries and related expenses is largely due to the reconciliation of variable compensation components to the Bank's returns and earnings. Excluding these adjustments, said expenses have decreased.

\*\*The increase is due to the early retirement plan on Q4.21.

# Credit Portfolio End of period (NIS billions)



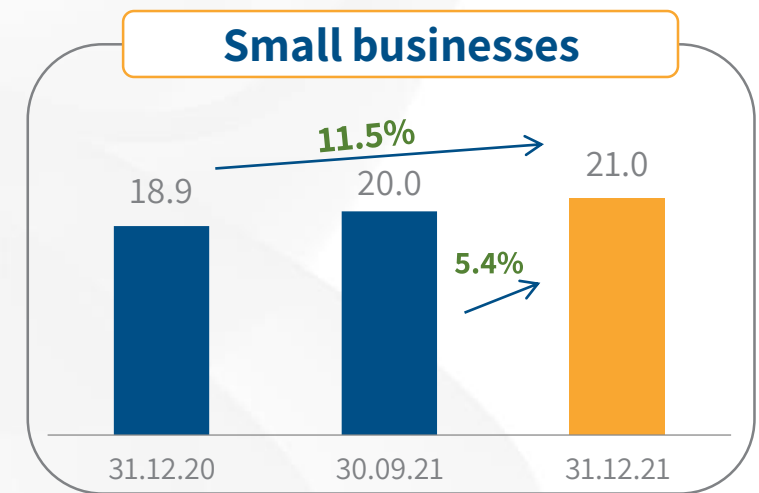
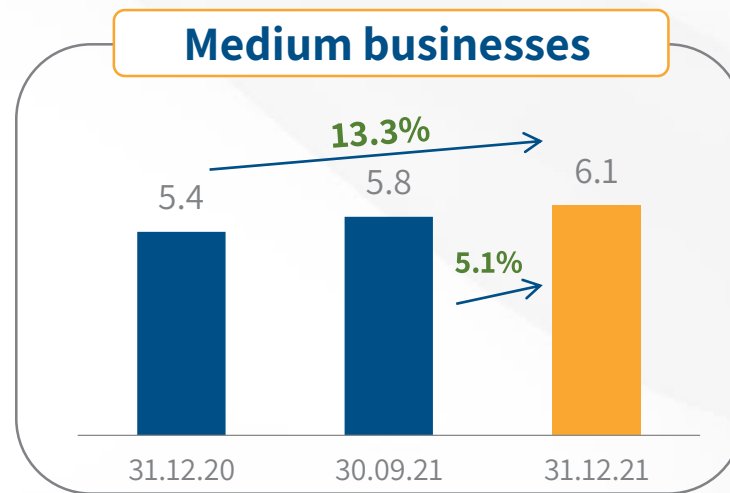
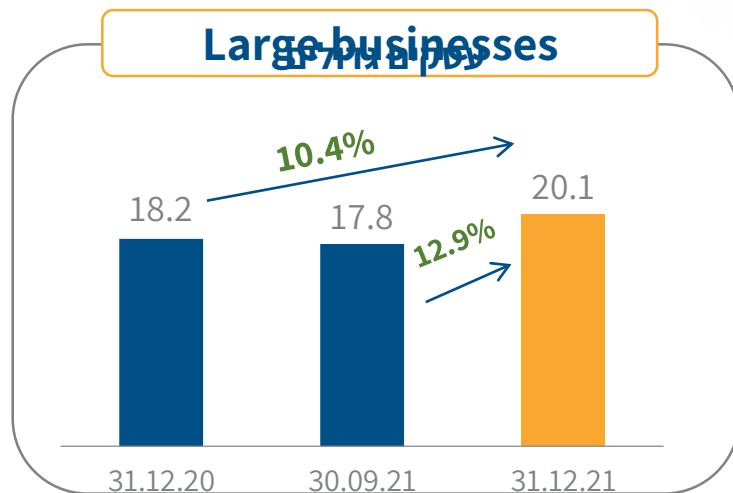
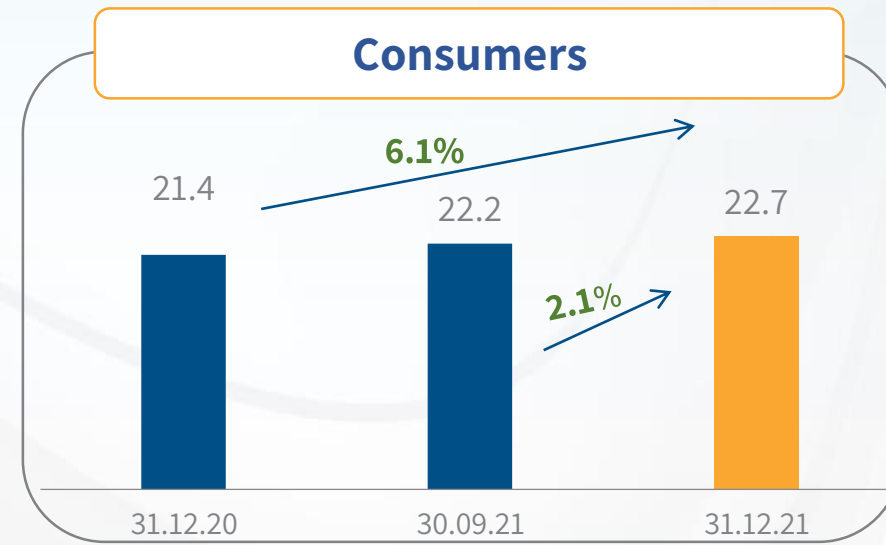
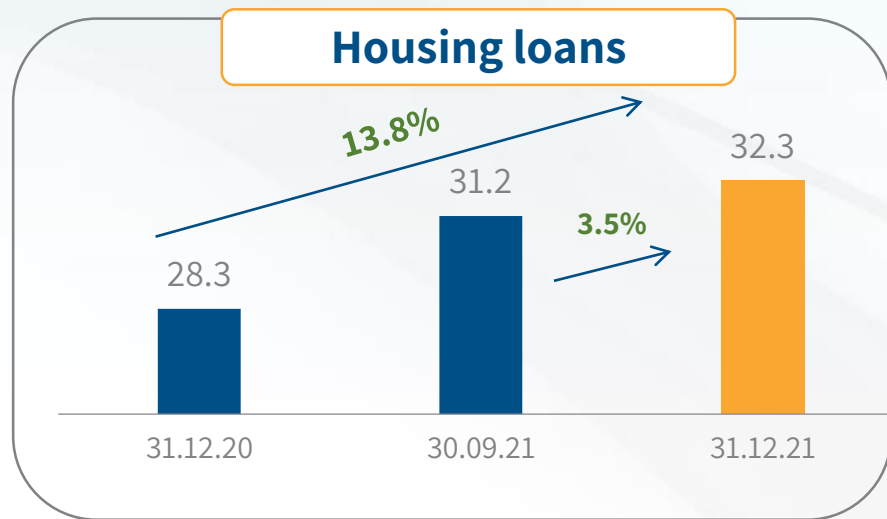
\*5.3% (NIS 4.7 billion) growth according to average balances



**Strong, diversified credit mix**  
**Housing loans & consumers: 54% of credit portfolio**

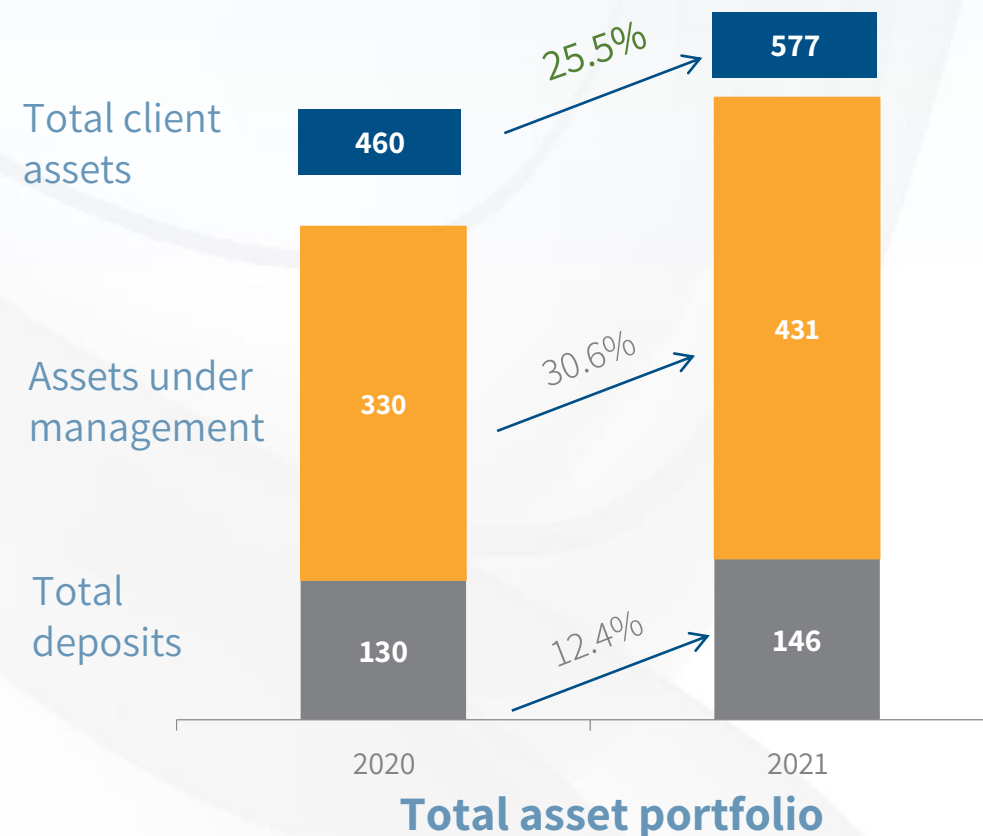
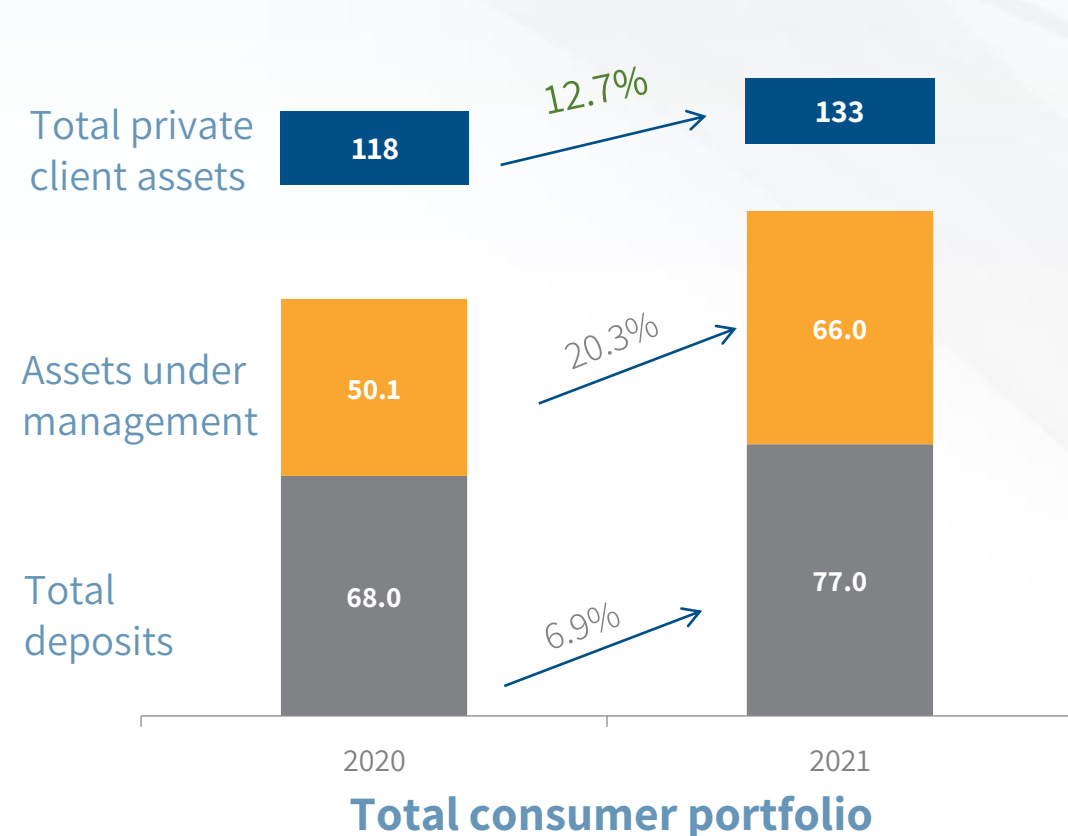
# Credit Portfolio

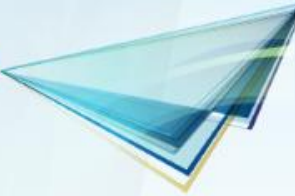
End of period (NIS billions)



# Total Client Asset Portfolio Growth

Average balances (NIS billions)





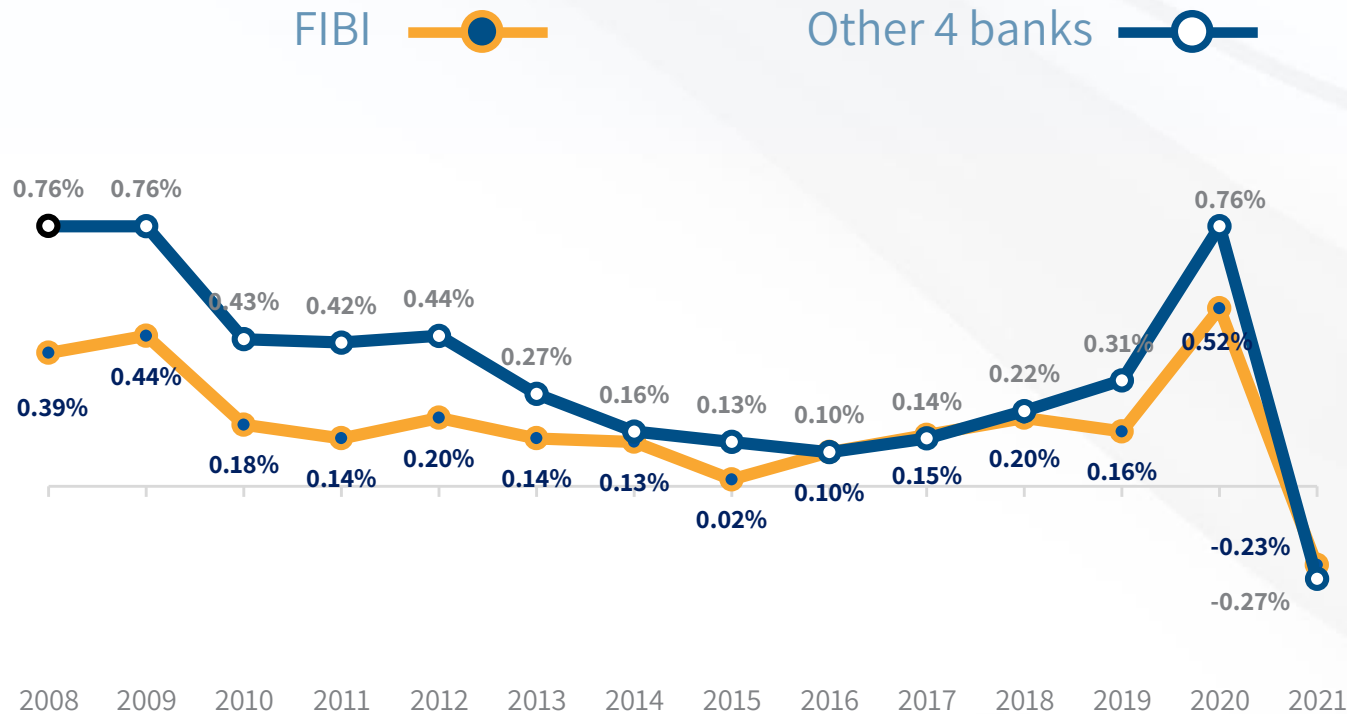
# Competitive Edge in the Capital Market





# Provision for Credit Losses

Thanks to proportionality in its credit policy, the Bank's provision rates have been consistently lower compared to the banking system over time.



	2020	2021	Q4.21
Total provision			
Individual provision (%)	-	(0.04%)	(0.07%)
Collective provision (%)	0.52%	(0.19%)	0.03%
Provision for credit losses (%)	0.52%	(0.23%)	(0.04%)

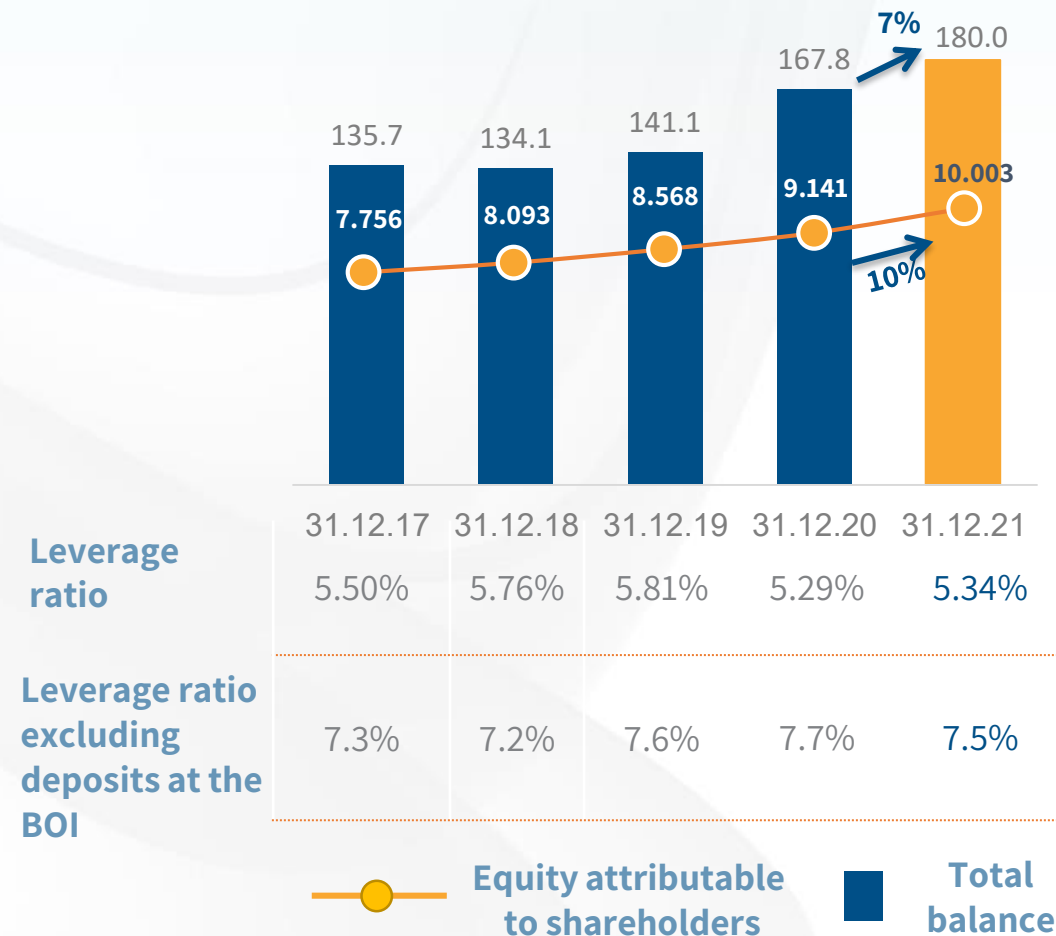
Ratio of provision for credit losses to credit to the public amounted to 1.05% on 31.12.21 compared to 1.38% on 31.12.20 and 1.05% on 31.12.19

# Sustained Robust Financial Strength

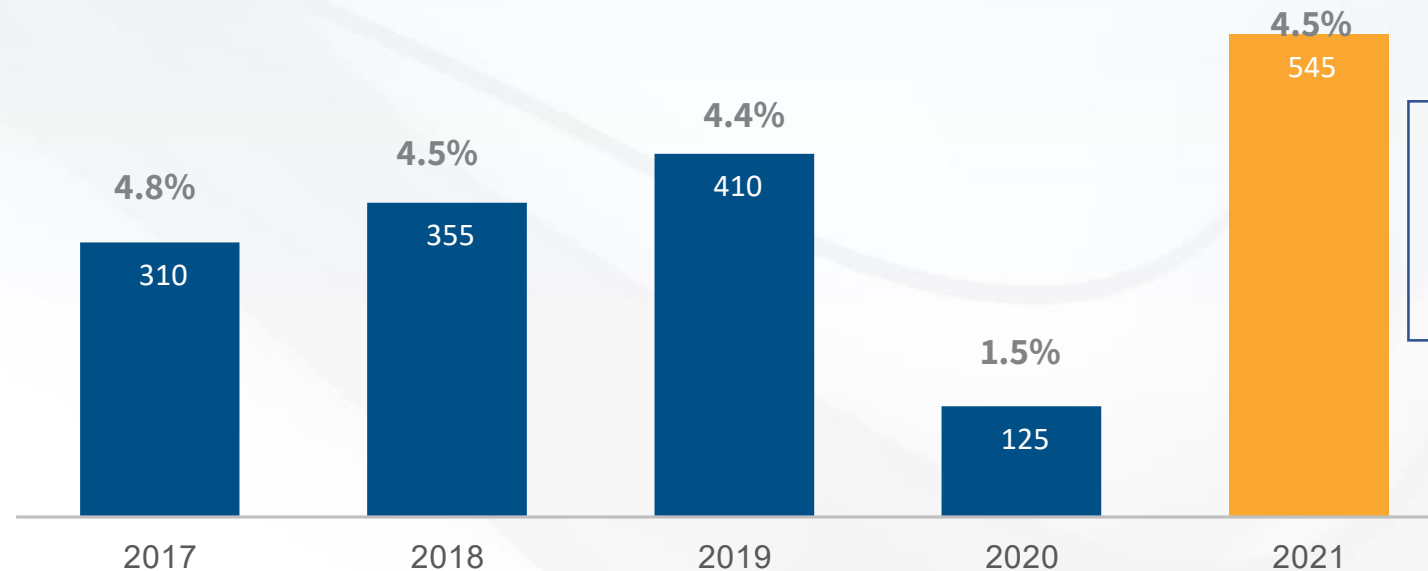
Equity attributable to shareholders of the Bank and financial ratios at period end (NIS billions)

	2017	2018	2019	2020	2021
Tier 1 capital ratio	10.38%	10.51%	10.81%	11.18%	<b>*11.46%</b>
Total capital ratio (total capital to risk-weighted assets)	13.94%	13.94%	13.70%	14.46%	<b>13.59%</b>
LCR	123%	122%	128%	150%	<b>128%</b>
Total deposit to credit balance	141%	133%	137%	156%	<b>152%</b>

\*The capital ratio is 3.2% higher than the required regulatory Tier 1 capital ratio (8.25%) and 2.2% without reductions.



# High Dividend Yield (NIS millions)



On February 22, 2022, dividend yield per share was 6.1% (p.a.).

On December 31, 2021, the temporary provision issued by the Banking Supervision Department designed to address COVID-19 related uncertainty, was canceled. The provision included a limit of 30% on the scope of dividend payouts.

In view of said cancelation, on January 6, 2022, the Board of Directors approved an additional dividend of NIS 215 million (20% of the profits of the first nine months of 2021).

On March 7, 2022, the Bank declared an additional dividend of NIS 165 million.

# Innovation and Digitalization 2021

1

● **Launch of Multibank Multi-bank account aggregation** enables clients to view their current account information at other banks via the FIBI app, and compared to their accounts at FIBI.

## Digital investment advisory

Upgrade of the advise.me system

## FIBI Wise planning tool

Enables clients to view their complete portfolio of financial assets, add assets and run simulations of changes in the portfolio.

2

## Entry into the digital wallet category

Launch of the FIBI Pay app.  
Registration of the Bank's credit cards with **Apple Pay** and **Google Pay** contactless payment apps.

3

## Click-to-Switch

Switching banks online and via the app.

## Opening an account online

Using facial recognition technology (including joint accounts).

**Digital Mortgage –** Approval of an online mortgage application through to approval in principle, internal refinancing and refinancing with another bank

4

## Upgraded digital capabilities

To provide an optimal response to NLP clients.

5

# Key Highlights 2021 – Growth

## Increase in net profit and ROE

**Net profit** amounted to NIS 1,405 million, compared to NIS 750 million in 2020 (**an increase of 87.3%**).

**ROE** in the period was 14.7%, compared to 8.6% last year.

The Bank's margins have been consistently high over time, with relatively low volatility. **Net ROE in the two-year period (2021-2022) was 11.4% p.a.**

**In Q4 2021**, net profit was NIS 333 million compared to NIS 210 million in the corresponding period last year, an increase of 58.6%. ROE was 14.0% compared to 9.6% in the corresponding period.

## Increase in the Group's total revenues

**The Group's total revenues grew by 9.4% (NIS 390 million) (before provision for credit losses)** compared to 2020.

**Revenue growth of 12%** in Q4 2021 compared to the corresponding period last year.

## Increase in financing earnings

**Net financing earnings increased by 11.2% (NIS 312 million)** compared to 2020.

**In Q4 2021, financing earnings increased by 12% (NIS 85 million)** compared to the corresponding period last year.

## Increase in operating commissions

**Operating commissions increased by 5.3% (NIS 73 million)** compared to the corresponding period last year, largely due to the capital market.

**In Q4 2021**, revenue amounted to NIS 387 million, **an increase of 12% (NIS 42 million)** compared to the corresponding period. Growth was observed in all bank charges.

# Key Highlights 2021 – Growth and Robustness

## Credit growth

**10.8% (NIS 10 billion) annual growth** in credit across all customer segments.  
**5.4% (NIS 5.3 billion) growth** in credit in **Q4 2021**.

## Growth in the client asset portfolio

**26% (NIS 117 billion) growth** in average balances compared to 2020 (growth was observed across all activity segments).  
 On December 31, 2021, the total client asset portfolio amounted to **NIS 601 billion, reflecting an increase of 13.5% in the year.**

## Nostro portfolio

**On December 31, 2021, the Group's nostro portfolio amounted to NIS 15 billion,** compared to NIS 13 billion at the end of 2020 (an increase of 15%).  
 Approximately 90% of the portfolio is comprised of government guaranteed government securities.  
 On December 31, 2021, capital reserves amounted to NIS 67 million (net). On February 22, 2022, the capital reserve was negative at NIS 20 million (net).

## Robust financial strength

**The Bank's capital increased to** NIS 10 billion. **High Tier 1 capital ratio** of 11.46% compared to 11.18% last year.  
**Liquidity ratio** of 128% compared to 150% last year. The ratio is dropping system-wide following a cut in liquidity injections by the government and the Bank of Israel and the public's return to consumption and increased credit.  
**Leverage ratio** – 5.34% compared to 5.29% last year.

## Dividend/ dividend yield

**In 2020-2021, the Bank paid dividends to shareholders.**  
 On February 20, 2022, the Bank's dividend yield per share was 6.1%, the highest in the banking system.  
 On March 7, 2022, the Bank declared an additional dividend of NIS 165 million.



# Key Highlights 2021 – Proportionality & Efficiency Enhancement

(Income)  
/Expenses from  
credit losses  
High-quality  
credit portfolio

**Decrease in the provision for credit losses** – in 2021, the rate of income from credit losses was 0.23% (NIS 216 million), versus an expense of 0.52% (NIS 464 million) in 2020. **In Q4 2021, income from credit losses was 0.04%.**

**Insignificant loan repayment deferrals** – the trend of improvement in repayment deferrals has continued, such that on December 31, 2021, said deferrals amounted to NIS 80 billion (deferrals account for only 0.08% of the Bank's total public credit, compared to 1.9% at the end of 2020).

Further  
improvement in  
efficiency ratio

**The Group's efficiency ratio** in 2021 was 58.3%, compared to 61.8% in the corresponding period last year.

**The average number of jobs in the Groups decreased** by 4.6% in 2021 compared to last year.