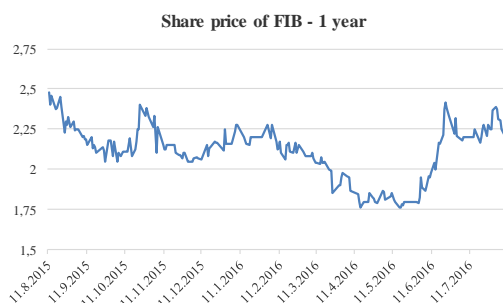


Shares information	5F4 BU
Price (BGN)	2.21
52 weeks Price Change	-6.51%
52 weeks Price Range	1.76 - 2.48
Market Cap (BGN)	243 100 000
Market Cap (EUR)	124 295 056
Shares Outstanding	110 000 000
Free Float	15.00%
P/E (ttm)	2.46
P/S (ttm)	0.54
P/BV	0.29
Net interest margin (ttm)	4.68%
Interest spread (ttm)	5.21%
ROA (ttm)	1.44%
ROE (ttm)	12.66%

Source: BSE, SIS calculations



Source: BSE

Shareholder structure	%
Tseko Minev	42.50%
Ivaylo Mutafchiev	42.50%
Other	15.00%

Source: Company report Q2 2016

Net profit rises multiple times on strong income growth and lower provisions

➤ In the first six months of 2016 total net loan portfolio of FIB fell by 11.8% on annual basis to BGN 5.12b. Compared to the end of 2015, however, the drop is only 0.25%. On a gross basis, loans to business clients increased marginally to BGN 4.401b and retail segment added 1.89% YTD to 1.49b. Consumer loans grew by 5.06% YTD, while mortgage loans slipped by 1.80%.

➤ Interest income sank by 10.25% YoY to BGN 214.6m as income generated from bank's corporate clients fell by 12.97% to BGN 125.78m. However, this negative development was offset by more than two-fold decrease in interest expenses and consequently, FIB's net interest income jumped by 30.3% to BGN 162.23m.

➤ Net fees and commissions income also rose adding 12.07% YoY to BGN 40.48m. Administrative expenses increased by 1.7% on annual basis to BGN 89.49m. In the second quarter of 2016 the company also reported other net operating gains related to equity instruments in the amount of BGN 24.9m along with significantly lower provisions and impairment expenses, which fell by nearly one third to BGN 42.56m.

➤ As a result, earnings before taxes soared from BGN 7.82m in the first half of 2015 to BGN 104.07m at the end of the current period. As of 30 June 2016, reported net profit was in the amount of BGN 93.55m.

➤ FIB's total assets decreased by BGN 148.1m (1.5%) over the first half of the year to BGN 8.53b. Although loan portfolio fell modestly, other asset groups such as cash and receivables from central banks (BGN 1.36b) and available for sale investments (BGN 469.39m) fell more pronouncedly, down by 8.57% and 7.47% YTD respectively.

➤ FIB's CAR increased to 15.19%. In May 2016 the bank repaid in full the liquidity support funds granted to it by the Ministry of Finance in 2014.

Income statement (BGN '000)	HI '14	HI '15	HI '16	Balance sheet (BGN '000)	HI '14	HI '15	HI '16
Interest income	254 097	239 115	214 595	Cash and balances with the Central Bank	1 764 765	1 245 531	1 362 243
Interest expense	-135 072	-114 642	-52 364	Due from other banks	86 039	125 300	93 088
Net interest income	119 025	124 473	162 231	Trading portfolio	8 755	13 215	14 716
Fees and commission income	41 577	36 120	40 479	Held-to-maturity investments	53 635	114 162	20 454
Gain/(loss) from dealing with securities	7 351	5 107	5 988	Investments available for sale	330 713	765 880	469 390
Administrative expenses	-94 060	-88 036	-89 490	Loans to NFI	5 862 570	5 801 225	5 118 669
Provisions & Impairments	-47 623	-66 050	-42 561	PP&E	107 628	104 124	97 006
Other	-1 496	-3 790	27 424	Intangible assets	13 704	11 969	9 270
EBT	24 774	7 824	104 071	Other	610 536	607 070	1 348 455
Taxes	-2 468	-699	-10 519	Total Assets	8 838 345	8 788 476	8 533 291
Net income	22 306	7 125	93 552	Deposits from banks and financial institutions	2 648	11 414	16 528
Ratios	HI '14	HI '15	HI '16	Deposits from customers	7 507 226	7 034 422	7 327 696
Average Earning Assets	5 632 730	6 496 849	6 200 742	Other borrowed funds	584 219	1 002 159	309 245
Loans to NFI/Assets	0,66	0,66	0,60	Other liabilities	26 482	19 764	36 818
Total Deposits/Assets	0,85	0,80	0,86	Total Liabilities	8 120 575	8 067 759	7 690 287
Interest Income/Average Earning Assets	4,51%	3,68%	3,46%	Share capital	110 000	110 000	110 000
Interest Spread	2,66%	2,26%	2,80%	Total Equity	717 770	720 717	843 004
Net interest margin (NIM)	2,11%	1,92%	2,62%	Total Liabilities and Equity	8 838 345	8 788 476	8 533 291

Source: Company report Q2 2016

ANNUAL RESULTS

Balance sheet (BGN '000)	2013	2014	2015
Cash and balances with the Central Bank	1 062 709	1 629 121	1 489 865
Due from other banks	291 459	80 559	109 435
Trading portfolio	6 466	8 887	9 913
Investments available for sale	444 614	449 303	507 269
Investments held to maturity	141 222	29 253	56 354
Loans to NFI	4 871 896	5 734 295	5 131 731
PP&E	104 075	104 806	307 816
Intangible assets	11 595	13 410	10 660
Other	511 907	596 201	1 058 344
Total Assets	7 445 943	8 645 835	8 681 387
Deposits from banks and financial institutions	16 728	10 229	10 344
Deposits from customers	6 397 543	6 507 864	7 002 880
Deposit from Ministry of Finance	0	901 844	450 922
Other borrowed funds	480 719	476 151	381 374
Other liabilities	12 349	21 338	90 485
Total Liabilities	6 907 339	7 917 426	7 936 005
Share capital	110 000	110 000	110 000
Total Equity	538 604	728 409	745 526
Total Liabilities and Equity	7 445 943	8 645 835	8 681 531

Income statement (BGN '000)	2013	2014	2015
Interest income	446 451	503 731	470 650
Interest expense	-284 117	-227 462	-218 270
Net interest income	162 334	276 269	252 380
Fees and commission income	85 437	82 029	81 470
Gain/(loss) from dealing with securities	8 532	12 934	11 340
Administrative expenses	-145 435	-178 310	-172 518
Provisions & Impairments	-61 063	-291 827	-327 422
Other	-20 936	133 466	169 090
EBT	28 869	34 561	14 340
Taxes	-3 011	-3 980	-1 797
Net income	25 858	30 581	12 543

Source: FIB audited annual financial statements

Disclaimers and Required Disclosures

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