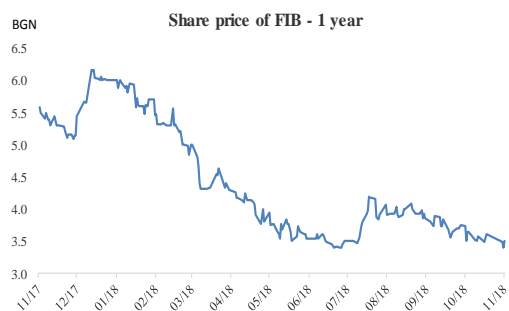


Shares information	5F4 BU
Price (BGN)	3.50
52 weeks Price Change	-37.38%
52 weeks Price Range	3.39 – 6.16
Market Cap (BGN)	385 000 000
Market Cap (EUR)	196 847 374
Shares Outstanding	110 000 000
Free Float	15.00%
P/E	4.45
P/S	0.90
P/BV	0.44
Net interest margin	4.13%
Interest spread	4.39%
ROA	0.97%
ROE	9.69%

Source: BSE, SIS calculations, on uncons. basis



Source: BSE

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

Source: Company report Q3 2018

### Falling core revenues put profitability under pressure

➔ FIBank's gross loan portfolio grew 3.6% in the third quarter of the year to BGN 6.07b. With this, year-to-date growth reached 8.7% YoY. Retail and SME segments continue with its strong performance, with loan balances in these segments increasing by 4.3% and 6.6% on quarterly basis. Within retail category, consumer lending remains the strongest growing segment this year, with respective portfolio going up 5.25% on quarterly basis and 21.4% YoY.

➔ Small-business lending, in particular, is up 25.3% on annual basis, as loan book reached BGN 921m. Lending to larger corporate clients also increased as outstanding loans rose to BGN 3.52b as of 30 September. The segment, which accounts for nearly 60% of the bank's total loan portfolio, grew 2.4% QoQ and 5.1% on annual basis

➔ FIB reported interest income in the amount of BGN 235.5m for the first nine months of the year, 10.2% lower than last year's reading. Interest expenses are also down, decreasing by 38% YoY. The overall effect of this was that net interest income posted a meager growth of 0.7%, reaching BGN 189.6m.

➔ Net fees and commissions income fell 7.1% on annual basis to 68.6m reflecting both decrease in generated income and increase in related costs. FX effects added BGN 8.6m to income from operations.

➔ The bank reported 9mo. net impairment costs of BGN 69.4m, up 17.7% YoY.

➔ Pretax profit dropped to BG 58m (-14.4% YoY) but tax effects actually pushed net profit higher than last year's results to BGN 62.2m (+1.6% YoY).

➔ Loans in arrears for 90+ days fell to 15.5% of gross loan portfolio (FY 2017: 17.6%). The bank's capital adequacy remains strong, with Tier 1 CAR at 16.28%.

➔ FIB managed to increase its deposit base by BGN 405.8m between July and September. With this, total deposits from clients reached BGN 8b.

➔ As of 30 September, total assets reached BGN 9.2b, as the bank added BGN 362.7m in new assets over the last quarter alone. The increase comes mostly on larger loan portfolio and balances held at the central bank.

Income statement (BGN '000)	Q3'16	Q3'17	Q3'18
Interest income	314 880	262 276	235 474
Interest expense	-79 454	-73 971	-45 851
<b>Net interest income</b>	<b>235 426</b>	<b>188 305</b>	<b>189 623</b>
Fees and commission income	62 516	73 891	68 624
Gain/(loss) from FX and securities	9 373	12 159	8 461
Administrative expenses	-136 801	-146 977	-147 940
Provisions & Impairments	-140 174	-58 975	-69 386
Other	-4 439	-705	8 578
<b>EBT</b>	<b>61 302</b>	<b>67 698</b>	<b>57 960</b>
Taxes	-6 234	-6 538	4 197
<b>Net income</b>	<b>55 068</b>	<b>61 160</b>	<b>62 157</b>
Ratios	Q3'16	Q3'17	Q3'18
Average Earning Assets	6 263 209	5 727 872	6 027 425
Loans to NFI/Assets	0.57	0.57	0.58
Total Deposits/Assets	0.87	0.85	0.87
Interest Income/Average Earning Asset:	6.86%	6.52%	5.20%
Interest Spread	5.26%	5.06%	4.39%
Net Interest Margin (NIM)	4.84%	4.55%	4.13%

Balance sheet (BGN '000)	Q3'16	Q3'17	Q3'18
Cash at the Central Bank	1 589 662	1 586 937	1 635 382
Due from other banks	167 491	40 587	80 529
Securities portfolio	460 762	549 398	682 904
Investments available for sale	-	-	-
Investments held to maturity	-	-	-
<b>Loans to NFI</b>	<b>4 910 857</b>	<b>4 882 271</b>	<b>5 374 939</b>
PP&E	96 333	89 961	88 404
Intangible assets	8 614	6 968	7 208
Other	1 342 330	1 395 227	1 364 236
<b>Total Assets</b>	<b>8 576 049</b>	<b>8 551 349</b>	<b>9 233 602</b>
Deposits from banks	15 940	5 736	5 758
Deposits from customers	7 445 484	7 286 351	8 003 789
Other borrowed funds	78 161	327 140	321 636
Other liabilities	226 397	29 550	19 565
<b>Total Liabilities</b>	<b>7 765 982</b>	<b>7 648 777</b>	<b>8 350 748</b>
Share capital	110 000	110 000	110 000
<b>Total Equity</b>	<b>810 067</b>	<b>902 572</b>	<b>882 854</b>
<b>Total Liabilities and Equity</b>	<b>8 576 049</b>	<b>8 551 349</b>	<b>9 233 602</b>

Source: Company report Q3 2018

**ANNUAL RESULTS**

<b>Balance sheet (BGN '000)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Cash and balances with the Central Bank	1 489 865	1 588 754	1 425 252
Due from other banks	109 435	54 472	54 402
Trading portfolio	9 913	8 578	6 906
Investments available for sale	507 269	531 366	673 039
Investments held to maturity	56 354	243 463	19 615
<b>Loans to NFI</b>	<b>5 131 731</b>	<b>4 941 062</b>	<b>5 018 298</b>
PP&E	101 572	93 880	89 271
Intangible assets	10 660	9 010	6 395
Other	1 470 832	1 381 877	1 349 393
<b>Total Assets</b>	<b>8 681 387</b>	<b>8 852 470</b>	<b>8 642 571</b>
Deposits from banks and financial institutions	10 344	6 736	5 743
Deposits from customers	7 002 880	7 691 256	7 338 375
Deposit from Ministry of Finance	450 922	-	0
Other borrowed funds	381 374	279 107	327 303
Other liabilities	90 485	33 620	41 866
<b>Total Liabilities</b>	<b>7 936 005</b>	<b>8 010 719</b>	<b>7 713 287</b>
Share capital	110 000	110 000	110 000
<b>Total Equity</b>	<b>745 526</b>	<b>841 751</b>	<b>819 284</b>
<b>Total Liabilities and Equity</b>	<b>8 681 531</b>	<b>8 852 470</b>	<b>8 532 571</b>

<b>Income statement (BGN '000)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Interest income	470 650	426 313	340 218
Interest expense	-218 270	-118 690	-92 640
<b>Net interest income</b>	<b>252 380</b>	<b>307 623</b>	<b>247 578</b>
Fees and commission income	81 470	88 498	98 851
Gain/(loss) from dealing with securities	11 340	14 047	15 435
Administrative expenses	-172 518	-185 055	-196 635
Provisions & Impairments	-327 422	-154 776	-77 511
Other	169 090	30 055	6 970
<b>EBT</b>	<b>14 340</b>	<b>100 392</b>	<b>94 688</b>
Taxes	-1 797	-10 207	-9 222
<b>Net income</b>	<b>12 543</b>	<b>90 185</b>	<b>85 466</b>

Source: FIBank's audited annual individual financial statements

## Disclaimers and Required Disclosures

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