

FIRST INVESTMENT BANK AD

Consolidated income statement for the year ended 31 December 2007
unaudited

in BGN '000

	2007	2006
Interest and similar income	270,045	194,442
Interest expense and similar charges	(137,436)	(109,140)
Net interest income	132,609	85,302
Fee and commission income	60,799	44,804
Fee and commission expense	(9,837)	(5,980)
Net fee and commission income	50,962	38,824
Net trading income	11,827	8,139
Other operating income	(201)	(73)
TOTAL INCOME FROM BANKING OPERATIONS	195,197	132,192
General administrative expenses	(107,325)	(82,720)
Impairment losses	(26,958)	(12,826)
Other expenses, net	(4,261)	(3,378)
PROFIT BEFORE TAX	56,653	33,268
Income tax expense	(5,640)	(4,582)
GROUP PROFIT AFTER TAX	51,013	28,686
Minority interests	100	131
NET PROFIT	51,113	28,817
Basic and diluted earnings per share (BGN)	0.48	0.29

M. Mateev *(signed)*
 EXECUTIVE DIRECTOR

J. Skortchev *(signed)*
 EXECUTIVE DIRECTOR

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Consolidated balance-sheet for the year ending on 31 December 2007
unaudited

in BGN '000

	2007	2006
ASSETS		
Cash and balances with central banks	611,262	708,038
Financial assets held for trading	13,529	13,239
Investments available for sale	374,203	508,006
Financial assets held to maturity	106,084	70,221
Loans and advances to banks and other financial institutions	189,575	42,032
Loans and advances to customers	2,778,123	1,709,773
Property and equipment	115,010	80,753
Intangible assets	848	840
Other assets	12,743	14,864
TOTAL ASSETS	4,201,377	3,147,766
LIABILITIES AND CAPITAL		
Due to banks	3,195	10,436
Due to other customers	2,475,139	1,692,197
Liabilities evidenced by paper	1,238,113	1,123,218
Subordinated term debt	51,005	48,299
Perpetual debt	98,386	98,141
Deferred tax liability	1,417	1,169
Other liabilities	8,143	5,913
TOTAL LIABILITIES	3,875,398	2,979,373
Issued share capital	110,000	100,000
Share premium	97,000	-
Statutory reserve	39,861	39,861
Revaluation reserve on available for sale investments	(350)	(258)
Reserves from translation of foreign operations	(515)	-
Retained earnings	79,858	28,960
SHAREHOLDERS' EQUITY	325,854	168,563
Minority interests	125	(170)
TOTAL GROUP EQUITY	325,979	168,393
TOTAL LIABILITIES AND GROUP EQUITY	4,201,377	3,147,766

M. Mateev (signed)
EXECUTIVE DIRECTOR

J. Skortchev (signed)
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FIRST INVESTMENT BANK AD

Consolidated statement of cash flows for the year ended 31 December 2007
unaudited

	<i>in BGN '000</i>	
	2007	2006
Net cash flow from operating activities		
Net profit	51,113	28,817
Adjustment for non-cash items		
Impairment losses	26,958	12,826
Depreciation and amortisation	11,668	9,118
Income tax expense	5,640	4,582
	95,379	55,343
Change in operating assets		
(Increase) in financial instruments held for trading	(290)	(6,088)
(Increase)/decrease in available for sale investments	133,711	(75,787)
(Increase)/decrease in loans and advances to banks	19,087	(19,068)
(Increase) in loans to customers	(1,095,308)	(384,508)
(Increase) in other assets	2,121	(5,669)
	(940,679)	(491,120)
Change in operating liabilities		
Increase/(decrease) in deposits from banks	(7,241)	4,963
Increase in amounts owed to other depositors	782,942	478,013
Net increase /(decrease) in other liabilities	1,455	(1,872)
	777,156	481,104
Income tax paid	(5,232)	(4,492)
NET CASH FLOW FROM OPERATING ACTIVITIES	(73,376)	40,835
Cash flow from investing activities		
Income tax paid		
(Purchase) of tangible and intangible fixed assets	(45,933)	(28,641)
(Acquisition)/decrease of investments	(35,863)	27,751
NET CASH FLOW FROM INVESTING ACTIVITIES	(81,796)	(890)
Financing activities		
Increase of shareholders' equity, fully paid-up	10,000	10,000
Increase of share premium	97,000	-
Capital increase of subsidiary	180	
Increase in borrowings	117,846	106,817
NET CASH FLOW FROM FINANCING ACTIVITIES	225,026	116,817
NET INCREASE IN CASH AND CASH EQUIVALENTS	69,854	156,762
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	730,811	574,049
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	800,665	730,811

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Consolidated statement of changes in shareholders' equity for the year ended 31 December 2007
unaudited

in BGN '000

	Share capital	Share premium	Retained earnings	Revaluati on reserve	Reserves from translation	Statutory reserve	Minority interests	Total
Balance as at 1 January 2006	64,726	1,304	41,265	(137)	-	22,709	35	129,902
Transfer to statutory reserves	-	-	(17,152)	-	-	17,152	-	-
Revaluation reserve on available for sale investments, net	-	-	-	(118)	-	-	-	(118)
Increase of shareholders' equity, fully paid-up	10,000	-	-	-	-	-	-	10,000
Increase of shareholders' equity, transfer of retained earnings	25,274	(1,304)	(23,970)	-	-	-	-	-
Disposal of subsidiary investment	-	-	-	(3)	-	-	(74)	(77)
Net profit for 2006	-	-	28,817	-	-	-	(131)	28,686
Balance as at 31 December 2006	100,000	-	28,960	(258)	-	39,861	(170)	168,393
Increase of shareholders' equity, fully paid-up	10,000	97,000	-	-	-	-	-	107,000
Revaluation reserve on available for sale investments, net	-	-	-	(92)	-	-	-	(92)
Capital increase of subsidiary	-	-	-	-	-	-	180	180
Movement related to changes in minority interest shareholding	-	-	(215)	-	-	-	215	-
Reserves from translation of foreign operations	-	-	-	-	(515)	-	-	(515)
Net profit for 2007	-	-	51,113	-	-	-	(100)	51,013
Balance as at 31 December 2007	110,000	97,000	79,858	(350)	(515)	39,861	125	325,979

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