

To:  
Financial Supervision Commission  
Sofia

CC:  
Bulgarian Stock Exchange  
Sofia

*Re: First Investment Bank market shares in the first quarter of 2008*

Dear Sirs,

At the end of April 2008 the Bulgarian National Bank (BNB) published data on the banking system in Bulgaria as at 31 March 2008. With relation to this and in addition to the already published unconsolidated accounts of First Investment Bank as at 31 March 2008, we present to your attention and to the general public information about the market shares and market positions of First Investment Bank for first quarter of 2008, calculated on the basis of the information from the Bulgarian National Bank and data from SWIFT.

According to BNB data about the banking system during the first quarter, First Investment Bank is the sixth largest bank in Bulgaria in terms of assets – its assets amount to BGN 4069.5 mln. (market share 6.84%). The Bank's assets have grown by 32.88% compared to 31.03.2007. The profit for the first quarter of 2008 amounts to BGN 15.07 million, the increase compared to the first quarter of 2007 being approximately 50%.

At the end of March 2008 FIBank came sixth in terms of deposits from companies and individuals with a total of BGN 2839 million and a market share of 7.37%. Compared to the same period of last year attracted funds from corporate clients and private individuals have increased by over BGN 440 million, which is an increase by 18.34%.

On 31.03.2008 deposits from private individuals at FIBank totaled at BGN 1585,5 mln., which formed a market share of 8 %, thus ranking the Bank fifth in this area. Compared to 31.03.2007 the growth is by more than 46%.

At the end of the first quarter of 2008 FIBank's loan portfolio amounted to BGN 2857 million and the market share was 7,14%. In this respect, compared to 31.03.2007, the Bank has grown by 53,10% (BGN 990,9 million).

The Bank retained its good position in corporate lending. As at 31.03.2008 its market share was 8,05% and the growth compared to the same period of 2007 was 53,74 % (BGN 730 mln.).

FIBank ranks sixth in terms of extended consumer loans – these amount to BGN 382 million, which is a market share of 5,1%. This indicator marked an increase of over 60% (BGN 143 million) as compared to the first quarter of 2007.

In terms of mortgage lending FIBank remains fifth with a market share of 6,1% and a portfolio of BGN 386 million.

First Investment Bank is the leader on the Bulgarian market in international payments. According to data from SWIFT, the Bank's market share in cross-border transactions is 7% and in trade finance it is 10%.

First Investment Bank is among the leading banks in the card business with over 612 000 cards issued by the end of March 2008, of which over 103 000 are credit cards. In this most competitive sector of the banking market FIBank retained its leading position in terms of turnover with credit cards. At the end of the first quarter of 2008 First Investment Bank had over 6500 POS terminals and more than 570 ATM's.

As at 31.03.2008 FIBank's liquidity ratio was above 23% and the capital adequacy was 13,42%. Both ratios are above the BNB requirements and the international financial standards.

Compared to the first quarter of 2007, the number of First Investment Bank outlets in Sofia and throughout Bulgaria has increased by 19.1% (21 new offices).

The promotions of several deposit products have led to excellent results. More than 40 000 clients benefited from the promotional rates offered by the Bank and from November 2007 to date more than BGN 580 million have been placed in various deposits.

At the beginning of May 2008 FIBank successfully migrated to a new core banking system – FlexCube. FlexCube is a fully centralised and integrated core banking system for retail, corporate and investment banking. The major advantages of FlexCube include the potential for high operating efficiency and fast setting of new products and services which can be tailored to the needs of various groups of clients. Risk management is performed on an on-going basis. With the implementation of this new system FIBank will meet the ever more dynamic needs and requirements of its clients and partners.

We believe that the above information clearly demonstrates First Investment Bank's achievements and the continuing trend for stable growth and development.

Regards,

*(signed)*

Matthew Mateev  
Executive Director

*(signed)*

Maya Georgieva  
Executive Director