

To:
Financial Supervision Commission
Investment Activity Supervision Department
16 Budapest Str.
Sofia

Cc:
Bulgarian Stock Exchange - Sofia AD
6 Tri Ushi Str.
Sofia

Cc:
Central Depository
6 Tri Ushi Str.
Sofia

Cc:
The public via *x3news*

Re: Decision for capital increase of First Investment Bank's AD via public offering

Dear Sirs,

We hereby inform you that the Managing Board of First Investment Bank has made a decision in accordance with the authorisation granted by the General Meeting of Shareholders under Article 17, Para 5 of the By-Laws of First Investment Bank AD, with relation to the provisions of Art. 196(1) and Article 194, para. 1 of the Commerce Act and Article 112 and subsequent articles of the Public Offering of Securities Act (POSA), to increase the total nominal amount of the Bank's capital from BGN 110 000 000 (one hundred and ten million), distributed in 110 000 000 (one hundred and ten million) ordinary, registered, dematerialized shares, each with one voting right in the general meeting and nominal value of BGN 1 (one), to up to BGN 150 000 000 (one hundred and fifty million), through the issue of up to 40 000 000 (forty million) new ordinary, registered, dematerialized shares, each with one voting right in the general meeting, each with nominal value of BGN 1 (one), and issue value of BGN 5 (five)

The capital of First Investment Bank AD will increase only if at least 4 000 000 (four million) shares with nominal value of BGN 1 and issue value of 5 BGN each are subscribed and paid, and in that case the capital will increase only with the value of the shares subscribed. All shares issued by First Investment Bank AD, as well as the shares from the new issue shall be from the same class.

The issue price of the new shares may change, and should this be the case, it will be duly disclosed in the issuer's prospectus or an addendum to the prospectus, prior to publication of the notice for start of the public offering. When the issue price is determined, it will affect the number of shares offered in the public offering, the ratio between the number of rights and the newly issued shares, as well as the minimum number of shares at which the offering will be considered successful.

The final issue price will be determined as a result of the issue placement, made in accordance with the legal requirements, and may differ from the price stated in this resolution.

During the Bank's capital increase, rights will be issued in accordance with POSA, entitling shareholders to subscribe shares proportionate to their stakes in the capital prior to the increase. One

right shall be issued against each existing share. Every 2,75 (two point seventy-five) rights entitle for subscription of 1 (one) new share.

The capital increase will take place through the public offering of newly issued shares, after publication of a prospectus approved by the Financial Supervision Commission prepared in accordance with the legal requirements. The relevant provisions of POSA on increasing the capital of a public company will be applicable to the issue.

The Bank intends to use the additional capital in order to implement its strategy for lending to small and medium-sized enterprises and private individuals.

On consolidated basis the capital adequacy ratio of First Investment Bank AD as at 30 September 2019 reached 17,65 %, and the Tier 1 capital ratio was 17.59%, while CET1 ratio was 14.79%.

First Financial Brokerage House EOOD was appointed as investment intermediary to service the capital increase.

The Managing Board decisions for the capital increase and the investment intermediary appointment were approved by the Supervisory Board in accordance with Article 17(5) of the By-Laws of First Investment Bank AD.

Sincerely,

(signed)

Nedelcho Nedelchev
Chief Executive Officer

(signed)

Svetozar Popov
Executive Director