

1. SUMMARY

<p>SECTION A – INTRODUCTION AND DISCLAIMER</p> <p>This Summary should be read as an introduction to this Prospectus. Every decision for investment in securities should be based on the Investor's review of the entire Prospectus. In case of an investor claim against the information contained in the Prospectus, the plaintiff may, as per the applicable national legislation, have to bear the cost for the translation of the Prospectus prior to the commencement of the legal proceedings. Civil liability shall be borne only by the persons who prepared the Summary, including its translation, if it is misleading, inaccurate and inconsistent with the other parts of the Prospectus or, when read together with the other parts of the Prospectus, it does not provide key information to assist Investors in deciding whether to invest in the securities.</p> <p>The Investor may lose its entire or part of its capital investment. The liability shall be limited up to the investment value.</p> <p>Regulation (EU) No 1286/2014 shall not be applicable for the offered securities.</p> <p>The Issuer, as well as the persons responsible for the preparation of the Prospectus, give their consent for the use of the Prospectus upon further resale or final placement of securities carried out by financial intermediaries. The consent under the previous sentence shall be valid for the period until the final placement of the securities.</p> <p>The information regarding the conditions and parameters of the Offering by each financial intermediary is provided as at the moment of the Offering by the respective financial intermediary.</p> <p>Securities: The shares, subject to public offering, shall assume the same identification number (ISIN) as the existing shares, namely: BG1100106050.</p> <p>Issuer: First Investment Bank, Sofia, 37 Dragan Tsankov Boulevard, tel.: 028171100, www.fibank.bg, fib@fibank.bg, UIC 831094393, LEI 549300UY81ESCZJ0GR95.</p> <p>The offeror, the person requesting the securities admission, does not differ from the Issuer.</p> <p>Competent supervisory body: Financial Supervision Commission, 1000 Sofia, 16 Budapeshta Str. telephone exchange: 029404999, fax: 029404 606, e-mail: bg_fsc@fsc.bg, BULSTAT: 131060676</p> <p>This Prospectus for public offering of securities has been approved by the Financial Supervision Commission on 23 April 2020.</p>
<p>SECTION B - BASIC INFORMATION ABOUT THE ISSUER</p> <p style="text-align: center;">Who is the Issuer of the offered shares?</p> <p>First Investment Bank, Sofia, 37 Dragan Tsankov Boulevard, UIC 831094393. The Issuer has been established in the Republic of Bulgaria and exercises its activity in conformity with the applicable Bulgarian and European law.</p> <p>The Issuer is a bank and is engaged in the business of publicly accepting deposits or other repayable funds and extending loans and other financing for its own account and at its own risk., as well as other activities covered by its license stipulated in Art. 4 and Art. 5 of its Articles of Association.</p> <p>The main shareholders are: Ivaylo Dimitrov Mutafchiev directly holding 46 750 000 shares of the capital, with a total face value of BGN 46 750 000, ensuring 46 750 000 votes, representing 42.5% of the Bank's capital; Tseko Todorov Minev directly holding 46 750 000 shares of the capital, at a total face value of BGN 46 750 000, ensuring 46 750 000 votes, representing 42.5% of the Bank's capital.</p> <p>The issuer is not owned / controlled directly or indirectly by anyone individually.</p> <p>The shareholdings of Mr. Tzeko Minev and Mr. Ivailo Mutafchiev gives them, acting together, effective control of the Bank at a shareholders' meeting. The Bank is not aware of any shareholders agreement concluded between the Major Shareholders; however, up to now Mr. Tzeko Minev and Mr. Ivaylo Mutafchiev have voted on material issues at the shareholders meeting in the same way.</p> <p>The Managing Directors are: Nikola Hristov Bakalov - Chief Executive Officer, Member of the Management Board; Svetozar Alexandrov Popov – Member of the Managing Board, Executive Director and Chief Risk Officer (CRO); Chavdar Georgiev Zlatev – Member of the Managing Board, Executive Director, and Chief Corporate Banking Officer (CCBO); Nadia Vasileva Koshinska – Member of the Managing Board.</p>

The official address of all Members of the Managing Board is: Sofia, 37 Dragan Tsankov Boulevard.

Auditors are: BDO Bulgaria OOD is a registered auditing company pursuant to the Bulgarian Independent Financial Audit Act, head office and registered office address: Sofia, 51b Bulgaria Blvd., floor 4.

Mazars OOD is a registered auditing company as per the Bulgarian Independent Financial Audit Act head office and registered office address: Sofia, 2 Tsar Osvoboditel Boulevard, BNP Paribas, floor 4.

What is the basic financial information about the Issuer?

Consolidated statement of profit or loss and other comprehensive income

In BGN '000	2017	2018	2019
Interest income	356 173	331 046	309 730
Interest expense	(95 247)	(63 958)	(63 016)
Net interest income	260 926	267 088	246 714
Fee and commission income	120 787	119 992	131 191
Fee and commission expense	(18 641)	(22 881)	(24 417)
Net fee and commission income	102 146	97 111	106 774
Net trading income	15 326	10 809	15 378
Other net operating income	28 191	16 321	74 618
TOTAL INCOME FROM BANKING OPERATIONS	406 589	391 329	443 484
Administrative expenses	(204 698)	(212 066)	(220 448)
Allowance for impairment	(78 850)	(83 378)	(119 730)
Other income/(expenses), net	(20 431)	65 127	51 053
PROFIT BEFORE TAX	102 610	161 012	154 359
Income tax expense	(10 365)	10 534	(16 437)
GROUP PROFIT AFTER TAX	92 245	171 546	137 922
Other comprehensive income			
Items which should or may be reclassified as profit or loss			
Exchange rate differences from translation of foreign operations	518	2 920	638
Revaluation reserve of investments in securities	888	(407)	(19)
TOTAL OTHER COMPREHENSIVE INCOME	1 406	2 513	619
TOTAL COMPREHENSIVE INCOME	93 651	174 059	138 541
Net profit attributable to:			
Ordinary equity holders	92 175	171 388	137 579
Non-controlling interest	70	158	343
Total comprehensive income attributable to:			
Ordinary equity holders	93 581	173 901	138 198
Non-controlling interest	70	158	343
Earnings per share, BGN	0.84	1.56	1.25

Source: Audited Consolidated Annual Financial Statements for 2017, 2018 and 2019; Fibank

Consolidated statement of financial position			
In BGN '000	2017	2018	2019
Assets			
Cash and balances with Central Banks	1 478 594	1 674 754	2 072 046
Financial assets held for trading	7 979	0	0
Investments available for sale	742 306	0	0
Financial assets held to maturity	53 714	0	0
Investments in securities	0	802 321	993 022
Loans and advances to banks and other financial institutions	54 402	125 483	79 618
Loans and advances to customers	5 162 907	5 716 062	6 017 137
Property and equipment	91 539	83 951	81 738
Intangible assets	7 342	14 402	12 626
Derivatives held for risk management	1 596	905	814
Deferred tax assets	0	0	0
Current tax assets	63	605	253
Repossessed assets	984 448	812 934	716 129
Investment Property	218 212	242 558	410 511
Other assets	118 096	112 706	116 622
TOTAL ASSETS	8 921 198	9 586 681	10 660 175
LIABILITIES			
Due to banks	8 136	3 024	2 007
Due to other customers	7 583 819	8 342 691	9 104 021
Liabilities evidenced by paper	127 493	121 120	109 348
Subordinated term debt	0	0	3 943
Hybrid debt	208 786	208 786	267 615
Derivatives held for risk management	0	88	361
Deferred tax liabilities	14 467	2 774	17 428
Current tax liabilities	2 213	259	71
Other liabilities	0	0	159 633
TOTAL LIABILITIES	28 934	61 667	16 831
EQUITY			
	7 973 848	8 740 409	9 681 258
Issued share capital	110 000	110 000	110 000
Share premium	97 000	97 000	97 000
Statutory reserves	39 865	39 865	39 865
Revaluation reserve of investments in securities	21 431	17 795	17 776
Revaluation reserve on property	4 500	4 500	4 500
Reserve from translation of foreign operations	(1 525)	1 395	2 033
Other reserves and retained earnings	673 571	573 087	704 770
TOTAL ISSUED SHARE CAPITAL	944 842	843 642	975 944
Non-controlling interest	2 508	2 630	2 973
TOTAL GROUP EQUITY	947 350	846 272	978 917
TOTAL LIABILITIES AND GROUP' EQUITY	8 921 198	9 586 681	10 660 175
<i>Source: Audited Consolidated Annual Financial Statements for 2017, 2018 and 2019; Fibank</i>			
Other key financial items			
	2017	2018	2019
Senior debt	7 765 062	8 531 623	9 409 700
Subordinated debt	208 786	208 786	271 558
Deposits from customers	7 583 819	8 342 691	9 104 021
Non-performing loans	1 250 210	1 415 366	1 542 736
Common Equity Tier 1 capital (CET1) ratio	12.87%	13.30%	14.65%
Total Capital Ratio	15.89%	16.15%	18.34%
Leverage Ratio	11.28%	11.08%	11.84%
<i>Source: Audited Consolidated Annual Financial Statements for 2017, 2018 and 2019; Fibank</i>			
Following the audit of the Company's Annual Financial Statements for 2017, 2018 and 2019, the registered auditors have issued an unqualified audit opinion on them.			
Which are the main Issuer-related risks?			
Macroeconomic risks and risks of the financial markets. Each negative change on one or more macroeconomic factors, as the interest rates, inflation, compensation levels, unemployment, restrictions on international trade, can have a material adverse effect on the Bank's business activity, its operating			

results and financial position.

Disruptions, uncertainty, or volatility in the capital and credit markets, such as those in the last few years, may limit the Bank's access to the capital needed to support business growth or offset the effects of losses or higher regulatory capital requirements.

Risk of catastrophic events. Since the beginning of 2020, the world has faced an unprecedented threat posed by the spread of the COVID-19 coronavirus infection, which has already become a pandemic. Bulgaria is also affected by the virus and although the government has taken serious measures to limit its spread, it is likely that these measures may become even more restrictive or continue for an undetermined amount of time. In the event of a prolonged pandemic, the Bank may suffer significant losses.

Interest rate risk. The Bank's business is subject to risk from interest rate fluctuations to the extent that interest-bearing assets and liabilities undergo changes of interest rates at different times and to different degrees. An increase in deposit interest rates, as well as a decrease in market levels of credit rates may have a direct adverse effect on the Bank's performance.

Interest rate risk is also specific to Bank's holdings of interest-bearing financial instruments, including the risk of incurring impairment losses from such financial instruments or decrease in their interest income.

Risk of a change in Bulgaria's credit rating. A potential downgrade of Bulgaria's credit rating would mean a higher risk and would automatically raise investors' expectations for profitability, with the potential adverse effect being expressed both in increase of cost of funds for the Bank and decrease in the value of the investment in its shares arising from an increase in the risk premium.

Competition in the Bank's core market is intense, which may prevent it from increasing or maintaining its market share. On its main market – Bulgaria - the Bank faces significant competition in all aspects of its business from a number of subsidiaries of major international financial institutions, as well as from some local players. If the Bank is unable to respond to the competitive environment with attractive product and service offerings, it may lose market share in important business segments or incur losses in some or all of its business lines.

In addition, the Bank faces the competition from non-banking entities such as non-banking financial institutions, leasing companies, investment funds and pension funds. The Bank cannot guarantee that this competition will not adversely affect its competitive position.

Risks, related to the creditworthiness of borrowers and the general economic conditions, that are specific to the Bank's business. The risks arising from changes in the quality and the service of loans and advances are inherent in most of the Bank's activities. Adverse changes in the creditworthiness of the Bank's borrowers, deterioration of the economic conditions in Bulgaria, Europe or worldwide, global economic problems, problems caused by systemic risks in the financial sector – all of these can reduce the collectability of loans and the value of the Bank's assets, leading to an increase in impairment losses on non-performing loans.

The Bank operates in a highly regulated environment

Changes in applicable legislation, in its interpretation or implementation, or failure of the Bank to comply with such legislation, could have a material adverse effect on the Bank.

Liquidity risk

Liquidity risk arises from the financing of the banking business and the management of positions. It includes the risk of not being able to make a specific payment on its due date, or not being able to sell a particular asset at a reasonable price and in a timely manner in order to meet a liability.

As at 31 December 2019, Fibank continued to maintain an adequate amount of liquid assets, with the liquid assets coverage ratio of borrowings from other customers amounting to 28.61%, the liquidity coverage ratio (LCR) to 221.64% and the net stable financing ratio (NSFR) to 132.74%¹.

The Bank is vulnerable to the amount of non-performing loans, the repossessed assets acquired as collateral and the risk of their ineffective management. Historically, non-performing loans have had a negative impact on Fibank's results of operations and on the entire banking system. In case of rising

¹Annual report 2019.

interest rates, the share of non-performing loans could increase, the related provisions would reduce Fibank's profits and its capital adequacy would suffer accordingly. In addition, impairment of the loan portfolio may lead to withdrawal of deposits and reduced demand for the Bank's products.

The sale of non-performing loans and repossessed assets is part of Fibank's strategy till 2021 for non-performing loans management, non-interest-bearing assets reduction and further improvement in the Bank's balance sheet position and financial ratios. Failure by the Bank to implement this strategy in a timely manner and with the desired result may have a material adverse effect on its business activity, operating results and financial position.

The Bank is exposed to loan portfolio concentration risk. The Bank is exposed to varying degrees of risk of concentration in its loan portfolio. There is a risk that if any of these customers experiences financial difficulties or withdraws its exposure from the Bank, this may affect the Bank's business activity, its operating results and financial position.

Financial difficulties of a key market player can disrupt the stability of the entire market. Concerns about the creditworthiness of the government or a financial institution (or a default event by such institutions) can lead to significant liquidity and/or solvency problems, losses or default events on the part of the Bank or other institutions.

The nature of the Bank's business involves certain operational risks.

Fibank is exposed to operational risk, which is the risk of losses resulting from inadequate or failed internal processes, people and systems, as well as from external events - in particular legal, regulatory and outsourcing risks, as well as compliance risk. Fibank is also vulnerable to fraud by employees or outsiders, including unauthorized transactions and operational errors, technical and accounting errors, and errors resulting from defective computer or telecommunication systems.

SECTION C - BASIC INFORMATION ABOUT THE SECURITIES

Which are the main characteristics of the securities?

Subject to the public offering are up to 40,000,000 ordinary, registered, dematerialized shares of the Company's capital. The subscription shall be considered successful if at least 4,000,000 of the offered shares are subscribed. The face value of the offered shares is BGN 1, and the issue price is BGN 5 per share. The shares from the present offering, shall assume the same identification number (ISIN) as the existing shares, namely: BG1100106050. The securities are denominated in Bulgarian levs.

The shares in this issue are of the same class as the Bank's issued shares and give equal rights to their holders. They are not of limited duration.

The right to dividend is a basic shareholder's property right expressed in its right to receive a part of the Company's net profit that is proportionate to its share in the Company's capital, upon the presence of the respective statutory preconditions. The right to a liquidation share is a basic shareholder's property right expressing the right of the same to receive a share, which is proportionate to its share in the Company's capital, of the remaining Company's property, upon termination of the Company, through liquidation.

Management rights: The voting right; The shareholder's right to participate in the Company's management. Control rights: The right to information. Defense rights: The right to appeal of the decisions of the Company's bodies; The right to request appointment of registered auditors by the Registry Agency; The rights of minority shareholders. Additional rights: The right to subscribe a part of the new shares upon the Company's capital increase, which is proportionate to the shares held up to the increase; The right to preferable acquisition of securities granting the right to acquisition of shares of the same class as the shares of the current issue by converting them or by exercising the rights under them.

In case of non-creditworthiness, shareholders' claims are subordinated to the claims of all creditors.

Transfer of dematerialized securities shall take place by entering a transaction into Central Depository AD. The Bulgarian legislation stipulates limitations on the transfer of shares blocked at the depository institution, as well as of such having a pledge or distraint lodged.

Dividends are allocated by a decision of the General Meeting of the Shareholders. As of its establishment, Fibank has adopted a policy of profit reinvestment.

Where shall securities be traded?

Offered securities shall be presented for admission on a regulated market only on the territory of the Republic of Bulgaria - Bulgarian Stock Exchange AD, Sofia, 6 Tri Ushi Str., tel.: (+359 2) 937 09 34.

There is no securities-related guarantee.	
Which are the main securities-related risks?	
<p>Risks related to the Bulgarian capital market. There may be less publicly accessible information available to investors for the Bulgarian companies than is available for companies in other securities markets, which may impact the share market.</p> <p>The Bulgarian Stock Exchange is significantly smaller and less liquid than securities markets in some other countries. Apart from the negative effect on market prices, low liquidity also causes other difficulties, such as excessive volatility. In addition, the market is vulnerable to speculation, as liquidity is usually so low that prices can be manipulated by relatively small volume transactions. Therefore, there is no guarantee that the Shares will be actively traded, and if this does not occur, price volatility may increase.</p> <p>The trading volume in the Shares may decline and the market price may fluctuate Issue price. The Bank cannot guarantee that the trading volumes of the Shares will be constant or will improve. At certain times, sale of the Shares may be difficult or impossible due to lack of investor interest.</p>	
SECTION D - BASIC INFORMATION ABOUT THE PUBLIC OFFERING OF SECURITIES	
Under what conditions and according to what schedule may I invest in these securities?	
<i>Terms and conditions; Timetable</i>	
<p>According to §1, item 3 of the POSA, a single right is issued for each share held of the Bank's capital. Each 2.75 (two point seventy-five hundredths) rights entitle their holder to the subscription of 1 (one) new share with an issue price of BGN 5. Any investor can acquire rights during the designated period for rights transfer/trade and on the auction organized by the Bulgarian Stock Exchange AD for any unsubscribed rights. Each person/entity may subscribe at least 1 (one) new share and at most such number of shares equal to the number of acquired and / or / owned rights, divided by 2.75. If the result of the division is a non-integer number, it is rounded to the lower integer. Current shareholders acquire the rights free of charge. All other investors may purchase rights through a transaction on the rights market organized by Bulgarian Stock Exchange AD within the term of the rights transfer or at an explicit auction for the unsubscribed rights organized by Bulgarian Stock Exchange AD after the expiry of the term for the transfer of the rights. Pursuant to Art. 112b, para. 2 of the Public Offering of Securities Act the right to participate in the capital increase shall be granted to the persons who have acquired shares not later than 7 days after the date of publication of the announcement under Art. 92a, para. 1 POSA.</p> <p>The Investors may refer to First Financial Brokerage House EOOD or another investment intermediary.</p> <p>The issue price of the subscribed shares shall be deposited to a special fund raising account of the Bank, which shall be specified in the Notice under Art. 92a of the Bulgarian Law on Public Offering of Securities.</p> <p>The Company shall notify the Financial Supervision Commission, within a term of 3 (three) working days as of completion of subscription, of its holding and its results, including of any difficulties, disputes and others similar upon the trade with the rights and the subscription of the shares.</p> <p>All actions shall be undertaken as necessary for the entry of the capital increase into the Trade Register, and thereafter – for the entry of the new issue shares into Central Depository and BSE AD.</p>	
<i>Indicative Offering Schedule according to the shortest legal deadlines</i>	
Prospectus Publishing Date	on or around 03.06.2020
Offering Notice Announcement Date	on or around 03.06.2020
Beginning of the trading with rights at BSE and of the subscription of new shares	on or around 12.06.2020
Last day of the trading with rights at BSE	on or around 24.06.2020
Expiry of the period for transfer of rights	on or around 26.06.2020
Official auction	on or around 03.07.2020
End date for subscription of shares	on or around 17.07.2020
Capital increase entry into the Trade Register	on or around 31.07.2020
Entry of new shares in Investors' accounts into the Central Depository	on or around 05.08.2020
Beginning of the trading with new shares at BSE	on or around 17.08.2020

If they do not exercise their subscription rights, current shareholders will dilute their holdings by between 3.51% and 26.67%, in the case of a minimum and maximum capital increase respectively.

The expenses for the issue upon minimum subscription amount to BGN 681 607, and provided that the entire amount of the offered issue of shares is subscribed – BGN 4 281 607, which shall be undertaken by the Issuer. The Investors shall undertake the expenses for fees and commissions of the investment intermediaries, the payment institutions, "Bulgarian Stock Exchange" AD, Central Depository AD, connected with the purchase of rights and the subscription of the Company's shares. There are no expenses stipulated for the Investor, which have been assessed by the Issuer or the Manager.

What is the reason behind the preparation of this Prospectus?

The expected net proceeds from the public offering, following deduction of the maximum amount of the offering expenses, are BGN 195 718 393 in case the whole issue amount is subscribed, and BGN 19 318 393 in case of minimum subscription proceeds.

The Bank intends to use the proceeds from the offering for general corporate purposes. The capital raised is necessary for implementation of the Bank's strategy to sustain its market share through maintaining loan book growth, while retaining stable capital adequacy levels and low risk profile.

The Offering is not a subject to any underwriting agreement on a firm commitment basis.

The Issuer is not aware of any conflicts of interest related to the Offering or the admission to trading.