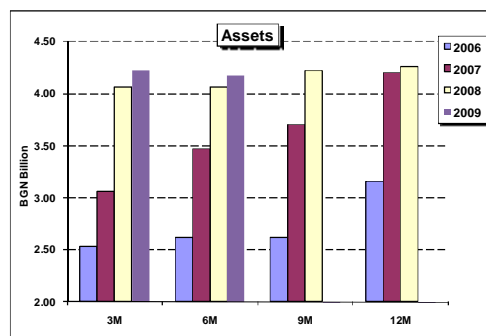


- The 2Q report of First Investment Bank (FIB) did not have any market impact as most domestic and foreign investors remained too sceptical toward banking shares. This is reasonable regarding the current increase of bad loans.

- FIB announced net profit of BGN 6.436 million for the second quarter or EPS of BGN 0.06. This was significantly lower than year ago results and was also twice lower than the reported net profit for 1Q 2009. The cumulative profit for the first six months was BGN 19.085 million or 20% lower than year ago.



- Assets declined for a second consecutive quarter and were 1.15% lower. The decrease of the balance sheet during the first half of 2009 was compensated by the rising deposits and government money for agricultural credits. Total credit portfolio is rising 2.7% to BGN 3 025 million. Corporate clients had the largest share in the credit portfolio – 71.3%.

- The capital adequacy ratio of FIB is rising to 13.18%. However, the bank did not disclose any additional information about the non-performing credits. In contrast to the other large commercial banks, FIB did not have any impairment on loans and receivables. This supported the net profit for the period as the difference from 2008 is significant. FIB's net profit declined less than the average for the banking system.

RoA	1.11%	P/E	5.27
RoE	12.31%	P/Assets	0.06
		P/B	0.61

### Stock Price of First Investment Bank



- The price per share of FIB gained after the report but volumes remained well below the average trading day. Multiples are among the lowest when compared to other Bulgarian public traded banks. Price-to-assets ratio is 0.06, whereas P/B is 0.61 and the bank is not anymore undervalued as compared to Bulgarian peers.

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<b>Outperform</b>	More than 5% higher as compared to SOFIX and BG40 performance
<b>Market Perform</b>	Market performance, +/-5% as compared to SOFIX and BG40
<b>Underperform</b>	More than 5% lower as compared to SOFIX and BG40 performance

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