

Recommendation:

**HOLD**

## First Investment Bank AD

### Share Information

Price (EUR)	3.04
1 Yr target price	3.21
Upside	5.71%
2026 Expected EPS	0.57

NAV price	6.20
YTD change	2.51%
52-week price change	49.39%
52-week price range	2.00 – 3.86
Adjusted Beta*	1.23

Market Cap (EUR)	453,217,792
Shares outstanding	149,084,800
Free Float	11.06%
P/E (ind)	5.33
P/S (ind)	1.62
P/BV (ind)	0.49
Net Interest Margin (31/12/2025)	4.77
ROA	0.85%
ROE	9.20%

\*SOFIX, 2 yr, weekly

Source: SIS Calculations and Market Data



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### 2026 Q1 Individual Results

- Fibank's 2026 Q1 unconsolidated net profit increased by 2.9% YoY to EUR 26.1m. This happened after 14.4% YoY growth in Net Interest Income to EUR 64.7m and an 18.9% decrease in Net fee and commission income to EUR 16.8m.

- The modest increase in Net Income this quarter is indicative of the dynamics of the bank in 2025 considering there are no effects from reevaluation of investments, which were likely made to offset the negative impact from the SG Group delayed repayment. That announcement happened in Q4 2024 and the bank management, over the next year, took steps to minimize the effect on that exposure to its balance sheet and its performance ratios and regulatory requirements.

- Total income from bank operations recorded an increase of 6.7% to EUR 86.6mln. Considering that the upcoming months are likely to be beneficial as interest rates are likely going to stay at current levels and the real estate market in Bulgaria does not show signs of slowing down, the bank is on the path of recording growth of this account at least at these levels, if not exceeding.

- Gross loans portfolio added 11.5% to EUR 4.69bn. The biggest push came from mortgages, which added EUR 235mln for an increase of 30.1% YoY to reach over EUR 1bn of total exposure. Consumer loans also increased 17% to add EUR 127mln for a total of EUR 852mln. In the same time, corporate loans increased by modest 5.9% to EUR 1.49bn for large enterprises, 5.4% to EUR 1.16 for SMEs while Microcrediting dropped by 21.2% to EUR 95.1mln. Interestingly, Large enterprises marked a marginal decrease since 2025 YE and SMEs increased by just 1% for the same period. This, together with the significant drop in Microcrediting indicates that the bank has shifted focus away from corporate lending and has pushed for retail (consumer loans and mortgages). The fears for a global recession, if materialized, might make this move a very positive for the bank. The concentration on retail lending, additionally helps them to be enjoying the highest Net Interest Margin among the top 10 banks in the country and the second largest among all, surpassed only by TBI bank – a clear retail lender.

- The loan portfolio as per the business lines:

Receivables from clients (EUR '000)	Q1 2026	Share	Q1 2025	Share	Change
Large enterprises	1 490 836	31.8%	1 408 246	33.5%	5.9%
SMEs	1 163 810	24.8%	1 104 133	26.3%	5.4%
Microcrediting	95 184	2.0%	120 862	2.9%	-21.2%
<b>Retail</b>					
Consumer loans	852 601	18.2%	725 126	17.2%	17.6%
Mortgages	1 019 530	21.8%	783 801	18.6%	30.1%
Credit cards	65 426	1.4%	63 196	1.5%	3.5%
<b>Total</b>	<b>4 687 387</b>		<b>4 205 364</b>		<b>11.5%</b>

2025, EUR '000	Assets	share	Deposits	share	Loans	share	EBIT	Net Income from interest and fees
United Bulgarian Bank	22 753 196	19.6%	20 369 532	20.9%	16 035 950	21.7%	294 420	587 487
DSK Bank	21 978 266	18.9%	19 004 203	19.5%	14 602 977	19.7%	599 134	872 239
Unicredit Bulbank	20 971 200	18.1%	17 027 037	17.5%	15 240 216	20.6%	535 182	564 628
Eurobank Bulgaria	13 786 241	11.9%	12 010 899	12.3%	9 410 324	12.7%	266 408	486 310
Fibank	9 077 151	7.8%	7 331 413	7.5%	5 159 015	7.0%	94 284	311 981
Central Cooperative Bank	5 274 528	4.5%	4 707 067	4.8%	1 939 486	2.6%	48 562	133 511
ProCredit Bank	2 656 636	2.3%	2 388 581	2.5%	1 928 678	2.6%	35 911	94 098
Allianz Bulgaria	2 501 633	2.2%	2 156 970	2.2%	1 476 129	2.0%	32 360	67 255
Investbank	2 017 041	1.7%	1 765 866	1.8%	991 613	1.3%	12 666	63 950
Bulgarian Bank for Development	3 513 732	3.0%	742 296	0.8%	953 221	1.3%	22 911	34 395

in EUR '000	Q1 2026	Δ	Q1 2025	2025	Δ	2024	Δ	2023	Δ	2022
Interest income	78 679	20.1%	65 516	268 254	8.9%	246 380	19.1%	206 925	30.2%	158 902
Interest expense	(13 950)	55.8%	(8 954)	(45 126)	61.2%	(27 999)	57.3%	(17 798)	-13.1%	(20 475)
<b>Net interest income</b>	<b>64 729</b>	<b>14.4%</b>	<b>56 562</b>	<b>223 129</b>	<b>2.2%</b>	<b>218 380</b>	<b>15.5%</b>	<b>189 128</b>	<b>36.6%</b>	<b>138 427</b>
Fee and commission income	25 403	-10.1%	28 252	117 596	8.8%	108 082	9.8%	98 477	11.3%	88 448
Fee and commission expense	(8 589)	14.3%	(7 515)	(28 744)	19.6%	(24 043)	14.5%	(20 992)	22.6%	(17 115)
<b>Net fee and commission income</b>	<b>16 814</b>	<b>-18.9%</b>	<b>20 737</b>	<b>88 852</b>	<b>5.7%</b>	<b>84 039</b>	<b>8.5%</b>	<b>77 486</b>	<b>8.6%</b>	<b>71 333</b>
Net trading income	2 266	-13.0%	2 606	13 112	-2.5%	13 446	12.9%	11 911	18.1%	10 081
Other net operating income	2 783	123.9%	1 243	(50 759)	82.7%	(27 788)	99.9%	(13 903)	-291.6%	7 258
<b>TOTAL INCOME FROM BANKING OPERATIONS</b>	<b>86 592</b>	<b>6.7%</b>	<b>81 148</b>	<b>274 334</b>	<b>-4.8%</b>	<b>288 077</b>	<b>8.9%</b>	<b>264 621</b>	<b>16.5%</b>	<b>227 099</b>
Administrative expenses	(33 392)	11.7%	(29 898)	(127 964)	8.9%	(117 522)	9.1%	(107 712)	2.7%	(104 873)
Other expenses, net	(3 374)	18.8%	(2 841)	35 389	-68628.7%	(52)	-99.5%	(9 664)	45.8%	(6 626)
<b>Profit before impairment</b>	<b>49 826</b>	<b>2.9%</b>	<b>48 409</b>	<b>181 758</b>	<b>6.6%</b>	<b>170 504</b>	<b>15.8%</b>	<b>147 244</b>	<b>27.4%</b>	<b>115 600</b>
Allowance for impairment	(20 732)	3.2%	(20 096)	(87 577)	-11.7%	(99 212)	41.5%	(70 133)	1.3%	(69 203)
<b>PROFIT BEFORE TAX</b>	<b>29 094</b>	<b>2.8%</b>	<b>28 313</b>	<b>94 181</b>	<b>32.1%</b>	<b>71 292</b>	<b>-7.5%</b>	<b>77 112</b>	<b>66.2%</b>	<b>46 397</b>
Income tax expense	(3 007)	1.5%	(2 964)	(9 856)	28.0%	(7 699)	-4.6%	(8 066)	65.4%	(4 878)
<b>NET PROFIT</b>	<b>26 087</b>	<b>2.9%</b>	<b>25 349</b>	<b>84 325</b>	<b>32.6%</b>	<b>63 593</b>	<b>-7.9%</b>	<b>69 045</b>	<b>66.3%</b>	<b>41 519</b>

in EUR '000	Q1 2026	Δ	2025	Δ	2024	Δ	2023	Δ	2022
<b>Assets</b>									
Cash and balances with Central Banks	1 647 498	-6.3%	1 758 771	29.0%	1 363 613	14.7%	1 189 166	21.7%	977 268
Investments in securities	2 538 357	74.8%	1 452 505	-7.7%	1 573 044	19.1%	1 321 152	-0.5%	1 328 406
Loans and advances to banks and other financial institutions	243 177	-27.2%	334 004	64.3%	203 264	53.1%	132 792	-2.0%	135 484
Loans and advances to customers	4 687 387	1.1%	4 634 489	14.5%	4 048 031	10.6%	3 659 985	12.1%	3 264 364
Property and equipment	156 322	-1.7%	159 070	3.9%	153 060	200.8%	50 882	1.3%	50 229
Intangible assets	15 256	13.0%	13 504	11.0%	12 167	3.4%	11 763	54.2%	7 631
Derivatives held for risk management	202	-	-	-100.0%	1 544	71.1%	902	9.7%	823
Repossessed assets	166 215	1.5%	163 830	-11.7%	185 619	-10.0%	206 318	-2.3%	211 162
Investment Property	458 409	0.2%	457 310	16.7%	391 768	1.3%	386 929	0.9%	383 635
Investments in subsidiaries	18 239	0.0%	18 239	3.2%	17 680	0.0%	17 680	-10.2%	19 698
Rights of use assets	30 694	0.7%	30 477	-7.1%	32 800	-47.2%	62 076	-2.2%	63 481
Other assets	59 586	8.0%	55 187	-10.7%	61 802	0.6%	61 446	5.2%	58 413
<b>TOTAL ASSETS</b>	<b>10 021 342</b>		<b>9 077 386</b>	<b>12.8%</b>	<b>8 044 392</b>	<b>0</b>	<b>7 101 092</b>	<b>9.2%</b>	<b>6 500 595</b>
<b>LIABILITIES AND CAPITAL</b>									
Due to banks	19 342	21.8%	15 878	-40.9%	26 848	-3.3%	27 776	18.9%	23 368
Due to other customers	7 284 485	-0.4%	7 315 535	10.2%	6 639 735	13.0%	5 876 873	6.4%	5 521 160
Liabilities evidenced by paper	1 595 294	144.6%	652 185	76.6%	369 349	64.3%	224 781	277.4%	59 559
Financial liabilities at fair value through profit or loss	-	-	-	-100.0%	479	-70.4%	1 618	-62.7%	4 340
Hybrid debt	136 037	2.4%	132 899	0.4%	132 378	0.4%	131 847	0.4%	131 331
Derivatives held for risk management	-	-100.0%	2	-	-	-	-	-	-
Deferred tax liabilities	19 557	0.4%	19 475	32.2%	14 731	4.4%	14 114	-0.8%	14 226
Current tax liabilities	401	399.5%	80	-92.0%	1 003	-3.3%	1 037	409.5%	203
Lease liabilities	30 852	0.7%	30 636	-6.8%	32 856	-47.1%	62 123	-2.2%	63 523
Other liabilities	10 524	77.5%	5 928	-4.0%	6 177	-21.1%	7 826	106.9%	3 783
<b>TOTAL LIABILITIES</b>	<b>9 096 492</b>	<b>11.3%</b>	<b>8 172 617</b>	<b>13.1%</b>	<b>7 223 556</b>	<b>24.1%</b>	<b>6 347 997</b>	<b>9.0%</b>	<b>5 821 492</b>
<b>Owners Equity</b>									
Issued share capital	76 033	-0.3%	76 226	0.0%	76 226	0.0%	76 226	0.0%	76 226
Share premium	127 832	0.0%	127 832	0.0%	127 832	0.0%	127 832	0.0%	127 832
Statutory reserve	20 381	0.0%	20 381	0.0%	20 381	0.0%	20 381	0.0%	20 381
Revaluation reserve of investments in securities	- 5 176	-723.4%	830	-32.1%	1 224	-142.4%	2 883	-63.2%	7 830
Revaluation reserve on property	2 301	0.0%	2 301	0.0%	2 301	0.0%	2 301	0.0%	2 301
Other reserves and retained earnings	703 479	3.9%	677 199	14.2%	592 874	12.0%	529 239	15.0%	460 194
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>924 850</b>	<b>2.2%</b>	<b>904 769</b>	<b>10.2%</b>	<b>820 837</b>	<b>20.9%</b>	<b>753 095</b>	<b>10.9%</b>	<b>679 102</b>
<b>TOTAL LIABILITIES AND GROUP EQUITY</b>	<b>10 021 342</b>	<b>10.4%</b>	<b>9 077 386</b>	<b>12.8%</b>	<b>8 044 392</b>	<b>23.7%</b>	<b>7 101 092</b>	<b>9.2%</b>	<b>6 500 595</b>

**Valuation**

**Multiples approach:**

Deals, which took place in recent years in Bulgaria were considered for the data:

Acquisition	Year	Price / Equity	Price / Assets	Price / (Net Interest & Fee Income)
Eurobank EFG acquires Piraeus Bank	2018	0.39	0.05	1.76
OTP Group acquires Societe Generale Expressbank	2018	1.49	0.18	5.32
KBC Group acquires UBB	2018	1.22	0.16	3.82
KBC Group acquires Raiffeisen Bulgaria	2022	2.05	0.20	6.47
<b>Average</b>		<b>1.29</b>	<b>0.15</b>	<b>4.34</b>

Source: Bulgarian National Bank, Eurobank EFG, UBB, Raiffeisen Bulgaria financials, official event statements and regulatory filings

The ratios were calculated using data from the previous year of the deals as indicative of the available information at the time of the negotiations.

Fibank value ('000) using Price / Equity ratio	EUR	1 190 536
Fibank value ('000) using Price / Assets ratio	EUR	1 499 049
Fibank value ('000) using Price / (Net Interest & Fee Income) ratio (TTM)	EUR	1 077 569
<b>Fibank unadjusted fair value ('000), "lowest of" rule</b>	<b>EUR</b>	<b>1 077 569</b>

The above value is 17% above current NAV.

**Market based approach:**

Share price (22/04/2026):	EUR 3.04
Shares outstanding:	149,084,800
<b>Market cap (Valuation, '000):</b>	<b>EUR 453,218</b>

The analysis suggests a substantial hidden fair value reserve over the current market cap valuation

The 2027 Q1 Earnings, EPS, Forward PE and Target Price were calculated using neutral to pessimistic approach, which we deem more suitable considering the unstable macro environment. As such, the upside could be greater than portrayed.

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