

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

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

The Public via XtriNews

4 May 2020

Re: Notice under Art. 92a of the Public Offering of Securities Act on the public offering of shares from the capital increase of First Investment Bank AD

Dear Sirs,

In accordance with the Public Offering of Securities Act (POSA) and the rules for its implementation, we hereby send you Notice under Art. 92a of the Public Offering of Securities Act on the public offering of shares from the capital increase of First Investment Bank AD.

The prospectus for public offering of shares of First Investment Bank dated April 22, 2020, the summary to the Prospectus for public offering of shares of First Investment Bank dated 22 April 2020, and the public offering timetable will be published on First Investment Bank's website in the *First Investment Bank Capital Raise* section, at the following address: <https://www.fibank.bg/en/investors/first-investment-bank-capital-raise>.

Sincerely,

*(signed)*

Nikola Bakalov  
Chief Executive Officer  
Chairperson of the MB

*(signed)*

Svetozar Popov  
Executive Director  
Member of the MB

**NOTICE UNDER ART. 92A OF THE PUBLIC OFFERING OF SECURITIES ACT ON THE PUBLIC OFFERING OF SHARES FROM THE CAPITAL INCREASE OF FIRST INVESTMENT BANK AD**

***4 May 2020***

First Investment Bank AD, with seat and registered head office: 37, Dragan Tsankov Blvd., Sofia, Republic of Bulgaria, registered in the Commercial Register under UIC 831094393, pursuant to Art. 92a of the Public Offering of Securities Act (POSA), notifies investors about the beginning of the public offering of up to 40 000 000 (forty million) ordinary, registered, dematerialized, freely transferable shares, entitled to one voting right as well as right of dividend and liquidation quota proportionate to the nominal value of the share, with face value of BGN 1 and issue price of BGN 5 per share, which will be issued following the increase of the capital of First Investment Bank AD from BGN 110 000 000 (one hundred and ten million) to BGN 150 000 000 (one hundred and fifty million). The capital increase is made pursuant to resolution of the Management Board adopted on 12.12.2019 and approved by the Supervisory Board on 19.12.2019, changes in the parameters approved by resolutions of the Managing Board of 09.04.2020 and the Supervisory Board of 15.04.2020 and subsequent changes approved by resolutions of the Managing Board and the Supervisory Board of 22.04.2020 as well as pursuant to Prospectus for Public Offering of shares, approved by the Financial Supervision Commission with Resolution № 281-E, dated April 23 2020. In accordance with the decisions of the competent management bodies of the Bank, the capital of First Investment Bank AD will be increased only if at least 4 000 000 (four million) of the offered shares are subscribed and fully paid.

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. One right shall be issued for each share of the Bank's capital according to §1, item 3 of POSA and every 2.75 rights entitle their holder to the subscription of 1 new share with issue price of BGN 5. Each person/entity may subscribe at least 1 new share and at most such number of shares equal to the number of acquired and /or held rights, divided by 2.75. If the result of the division is a non-integer number, it is rounded to the smaller integer. Existing shareholders acquire the rights free of charge. All other investors may purchase rights through a transaction on the rights market, organised by Bulgarian Stock Exchange AD, within the term of the rights transfer or at the open auction for the unsubscribed rights, organised by Bulgarian Stock Exchange AD, after the expiry of the term for the transfer of the rights.

The starting date for the trading of the rights shall be up to 10 (ten) days after the expiration of 7 (seven) days from the date of the publication of the notice for public offering under Art. 92a POSA on the X3 News portal and on the web sites of First Investment Bank AD and the authorised investment intermediary First Financial Brokerage House EOOD (whichever occurs last).

The initial date of subscription of the shares and stock exchange trading of the rights is expected to be May 15, 2020.

The deadline for the transfer of the rights shall be up to 30 days from the starting date. The transfer of the rights is made on the floor of the Bulgarian Stock Exchange AD. The expected closing date for transfer of the rights is June 3, 2020. According to the rules of Bulgarian Stock Exchange AD, the last trading date for rights at the stock exchange is two business days before the closing date for the transfer of rights. The expected last date for trading of the rights on the stock exchange is June 1, 2020.

On the 5th business day after the closing date for the transfer of rights, First Investment Bank AD will offer for sale, through the authorised investment intermediary First Financial Brokerage House EOOD, on the regulated market under the conditions of an open auction, the rights unsubscribed within the rights transfer period. The expected open auction date is June 10, 2020. Therefore, the shareholders, who are rightholders as well the persons/entities who have purchased rights within the rights transfer

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period may subscribe shares from the offering until the expiry of the rights transfer period. Persons/entities who have purchased rights at the organised open auction may subscribe shares until the expiry of the share subscription period.

The starting date of the share subscription period is the same as the starting date of the rights transfer period. Expected starting date of the share subscription period is May 15, 2020. The closing date for subscription of shares by the rightholders shall be at least 15 business days from the closing date for the transfer of rights. Expected closing date for subscription of shares is June 25, 2020. Shares may not be subscribed before the starting date and after the closing date of the share subscription period.

Investors who are interested in the securities offered may contact the authorised investment intermediary:

### **First Financial Brokerage House EOOD**

Address: Sofia, 2, Enos Str., 4<sup>th</sup> floor

Contact person: Stoian Nikolov

Phone: +359 2 460 64 24

E-mail: [Stoian.Nikolov@ffbh.bg](mailto:Stoian.Nikolov@ffbh.bg)

Investors may also contact any investment intermediary, member of Bulgarian Stock Exchange AD.

According to §1, item 11 of the Supplementary Provisions of the Public Offering of Securities Act *subscription of shares* shall mean unconditional and irrevocable expression of will to acquire the shares in the process of their issuing and to pay their issue price.

The subscription of shares is carried out by the rightowners submitting application forms to First Financial Brokerage House EOOD or the investment intermediaries, members of the Central Depository AD who keep the rightowners' client accounts. The subscription of shares is made by submitting a written application form in accordance with the regulatory requirements and with the following minimum content:

#### A) Individuals:

1. full name and unique client number of the person and their proxy. If such numbers have not been assigned, the following data must be filled out: full name, personal identification number, place of residence and address;
2. issuer, ISIN code of the issue and number of shares subject to the application;
3. date, time and place of submission of the application form;
4. the total value of the order;
5. signature of the person submitting the application form.

#### B) Legal entities:

1. company name and unique client number of the entity and their proxy. If such numbers have not been assigned, the following data must be filled out: company name, UIC, seat and registered office of the client;
2. the data referred to in items 2-5 of letter A above.

C) Foreign individual/entity - similar identification data as that under letter A or letter B above, as well as data under items 2-5 from letter A above;

When accepting the application form, the person who accepts it verifies the identity of the client or, respectively, their representative. Legal entities file application forms through their legal representatives who identify themselves with an identity document. Individuals submit their application forms personally, identifying themselves with an identity document. The application form can also be filed through a proxy, which is legitimised with an expressly written and notarised power of attorney.

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If a person/entity wishes to submit an application for participation in the offering to an investment intermediary and they are not their client, an investment intermediation contract with the investment intermediary should be signed, with all required statutory documents attached.

If the person/entity submitting the application form keeps a client account with an investment intermediary, then the relevant provisions of the applicable law shall apply.

The investor cannot withdraw their application. The investor may reject the subscribed shares in accordance with the procedure and under the conditions of Art. 85, para 6 in conjunction with para. 2 POSA.

According to the requirements of Art. 28 of Regulation (EU) 575/2013 subscription of shares in this offering may not be directly or indirectly funded by the Issuer – First Investment Bank AD. Subscription of shares from the increase is not allowed with funds, received as a result of direct or indirect financing by the Issuer within the meaning of Art. 8 and Art. 9, para. 1 of Commission Delegated Regulation (EU) No 241/2014 from 7 January 2014, supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions.

In order BNB to be able to exercise control over the compliance to this requirement, any person who subscribes shares from the capital increase shall, when submitting standard form subscription application, also submit a special form declaration of the origin of the funds used to acquire the shares.

Copies of the declarations of origin of the funds, annexed to the share subscription applications, shall be certified by the accepting investment intermediary and sent immediately, or no later than the end of the business day on which they are presented, to the authorised investment intermediary First Financial Brokerage House EOOD, which delivers them to the Issuer - First Investment Bank AD - for the purpose of BNB's supervision.

An application for subscription of shares, which is not accompanied by a special form declaration of the origin of the funds, shall not be considered valid, and, accordingly, shall not be accepted by the investment intermediary. The Issuer may exercise its right to refuse to acknowledge an application in case the declaration of origin of funds, signed and attached to it by the person who subscribes the shares from the offering, is not complete, accurate and clear or does not comply with the special form, provided by First Financial Brokerage House EOOD.

Any person, whose direct or indirect participation in the Bank, as a result of the subscription of shares from the capital increase, reaches or exceeds the threshold of 3% and more than 3% of the voting shares or 10% and more than 10% of the voting shares, shall provide also additional data and documents according to the requirements of Art. 33b, para. 1, item 4 of BNB Ordinance No. 2, dated December 22, 2006 on the Licenses, Approvals and Permissions Granted by the Bulgarian National Bank and the other applicable regulations. The above documents shall be provided by the Issuer - First Investment Bank AD - to the BNB.

The subscription of shares is considered valid only if it is done by a rightowner up to the maximum number of shares possible, and the entire issue price of the subscribed shares has been paid within the set period and under the conditions set out below. In case of partial payment of the issue price, the number of shares subscribed shall be deemed to be the number of shares which issue price has been paid in full.

The payment of the issue price of the subscribed shares shall be made to the special escrow account of the Bank, IBAN: BG64CIT192501060020504, BIC: CITIBGSF, in Citibank Europa AD, Bulgaria branch, having its seat and registered address at: Sofia, 48, Sitnyakovo Blvd., Serdika Offices, 10<sup>th</sup> floor.

In case the potential investor orders the payment for the issued shares to the escrow account in euro, Citibank Europe AD, Bulgaria branch will convert the incoming amount from euro to BGN at a rate of EUR 1 euro = BGN 1.955 and will credit the escrow account with the BGN equivalent. Citibank Europe

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AD, Bulgaria branch will retain the above exchange rate unchanged for the entire share subscription and payment period, except in case of significant market deviations in the euro-lev exchange rate on the interbank market and/or changes in the regulations affecting the fixed exchange rate, the currency regime or other relevant legislation in Bulgaria.

The escrow account must be credited with the due amount by 15:00 (3 p.m.) on the last day of the subscription at the latest. The bank where the escrow account is opened will block the amounts deposited into the special escrow account. According to Art. 89, para. 2 POSA, the funds deposited to the escrow account cannot be used before the end of the subscription period and the entry of the capital increase in the Commercial Register, kept by the Registry Agency.

A certification document evidencing the amounts paid is a banking document (payment order or deposit slip stating the name/company name of the subscriber of the shares, their personal identification number/UIC - for Bulgarian persons/entities, the number of subscribed shares, the total amount due and paid). The investor is to receive the certification document from the servicing bank, through which the investor orders the payment or pays the amount due, and must hand it over to the investment intermediary First Financial Brokerage House EOOD until the expiry of the share subscription period. In case that the orders are placed with other investment intermediaries, they must hand over the payment documents evidencing the amounts paid for the subscribed shares to First Financial Brokerage House EOOD until the expiry of the share subscription period, at the latest.

The Bank shall notify the Financial Supervision Commission within 3 (three) business days from the end of the subscription, about the implementation and the results thereof, including about difficulties, disputes and the like in the trading of the rights and the subscription of the shares.

Upon successful finalisation of the public offering, immediate action shall be taken to enter the capital increase in the Commercial Register and subsequently to register the new share issue with the Central Depository and the Bulgarian Stock Exchange.

The most complete and comprehensive information on the securities offered and their issuer can be obtained from the Prospectus for Public Offering of Shares of First Investment Bank AD, which will be made available for the period of validity of the Prospectus on the website of First Investment Bank AD ([www.fibank.bg](http://www.fibank.bg)) and on the website of the investment intermediary FFBH EOOD ([www.ffbh.bg](http://www.ffbh.bg)). The prospectus and other relevant information will also be available to the public in print for the period of validity of the Prospectus at the address of the authorized investment intermediary, First Financial Brokerage House EOOD in Sofia, 2, Enos Str, 4<sup>th</sup> floor.