Fibank profit amounts to BGN 162 million before impairment and taxes

Wednesday 30 October, 2019

At the end of September 2019 First Investment Bank's net profit amounts to BGN 64.7 million, marking growth by 4.15% (BGN +2.5 million) compared to September 2018. The Bank's assets total at BGN 9.626 million, increasing by BGN 389 million compared to December 2018. Since the beginning of 2019 the Bank has extended BGN 345 million of new loans, which is an increase by 6.24%. Fibank achieves significant growth in lending to private individuals by 12.95% and in SME (companies with revenues of up to BGN 15 million per year) lending by 10.33%.

At the beginning of 2018 First Investment Bank announced its new strategy focused on SME and retail lending. The Bank's results show that this was a step in the right direction – over the past 21 months these portfolios have grown by over 35%. Since the beginning of the year the savings from private individuals and companies have increased by BGN 380 million, and since the implementation of the new strategy – by about BGN 1 billion. The income from banking operations totals at BGN 267 million, and the pre-provisioning profit amounts to BGN 162 million.

During the first half of 2019 six Bulgarian banks (including Fibank) were subjected to comprehensive assessment by the ECB with relation to Bulgaria's request to establish close cooperation with the ECB dated 18.07.2018 and the country's willingness to joint the Eurozone "waiting room" (ERM II). First Investment Bank, being the largest Bulgarian-owned bank and the second in terms of lending to Bulgarian business, acted responsible vis-à-vis its customers and shareholders. During the third quarter Fibank reviewed its loan book thoroughly for compliance with the ECB methodology (used for the comprehensive assessment) and the International Financial Reporting Standards (IFRS) (mandatory for implementation in the financial reporting of banks). As a result, at the end of September 2019 additional impairments costs of BGN 66 million (compared to June 2019) were accrued. Thus, the Bank has reflected through its accounting records a more conservative approach to credit risk assessment, in the wake of the asset quality review.

As at 30 September 2019 First Investment Bank complies with all regulatory capital requirements, its overall capital adequacy ratio being 18.01% and its CET1 adequacy ratio 15.07%.

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Fibank

E. pr@fibank.bg
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