



The following document is a translation of the official Notification from Bulgarian to English language

To

The Financial Supervision Commission

THE Bulgarian Stock Exchange

The General Public

PRESS RELEASE

by

Bulgarian-American Credit Bank,

Registered in the Commercial Register with the Registry Agency with EIK 121246419, with headquarters and registered address in Sofia, Sofia Municipality, Sredetz District, 2 Slavyanska Street,

REF: Disclosure of information

Pursuant to art. 17 of the Market Abuse Regulation and to art. 27, art. 28 of the Ordinance No. 2 on the Prospectuses to be Published when Securities are Offered to the Public or Admitted to Trading on a Regulated Market and on Disclosure of Information by the Public Companies and the Other Issuers of Securities, The Bulgarian-American Credit Bank (BACB) discloses the following circumstance:

Based on an interim monitoring, on 13 September 2021 BCRA - Credit Rating Agency” AD published information about changing and confirming the ratings assigned to BACB, as follows:

- Change the Long-term rating at **BB**, change of outlook at “**Stable**”, confirming the short-term rating at **B**;
- Change of the national-scale long-term rating at **BBB (BG)**, change of outlook at “**Stable**” confirming the national-scale short-term rating at **A-3 (BG)**;

Financial strength rating	Primary Rating 27 July, 2016	Updated Rating 20 April 2021	Updated Rating 13 September 2021
Long-term rating	B	BB-	BB
Outlook	Stable	Positive	Stable
Short-term rating	B	B	B
National-scale long-term rating	B+ (BG)	BBB- (BG)	BBB (BG)
Outlook	Stable	Positive	Stable
National-scale short-term rating	B (BG)	A-3 (BG)	A-3 (BG)

In the process of assigning the ratings BCRA uses the methodology which is officially adopted for assigning bank financial strength ratings (<https://www.bcra-bg.com/bg/methodologies>)

According to the published text, for the period **Bulgarian-American Credit Bank** continues to report improvement in the activities and in the results. A positive positioning in most of the parameters compared to the average levels for the Bulgarian banking system is reported together with the acceleration of the positive trends. A stable improvement of the assets quality is reported together with a decrease of



the levels of the non-performing loans portfolio. The NPLs still remain at a high level compared to the banking system with a lower rate of reevaluations covering.

The stable improvement in the portfolio quality, maintaining and increasing of the profit accumulated and the parameters for profitability, while maintaining stable capital adequacy and liquidity may have additional positive influence on the “Bulgarian-American Credit Bank” ratings.

In negative direction, the additional deterioration of the loan portfolio quality and the significant decrease of the levels of the capital adequacy and liquidity parameters of the Bank as a result of the negative effects of the COVID 19 pandemic on the Bank’s clients may influence.

The complete text of the report is available on the “BCRA-Credit Rating Agency” AD web site: <https://www.bcra-bg.com/bg/ratings/bacb-rating>