



**BULGARIAN
AMERICAN
CREDIT
BANK**

Dear Shareholders:

In the 3-month period ending March 31, 2009, the Bulgarian-American Credit Bank (BACB) earned approximately Euro 6.9 million while assets decreased slightly to Euro 413.7 million and net loans and advances to customers increased to Euro 351.4 million.

In EUR '000	First three months of 2009	2008	First three months of 2008
Net interest income	11,331	40,740	9,900
Other income, net	387	2,240	635
Operating income	11,718	42,980	10,535
Operating expenses	(1,500)	(6,005)	(1,538)
Operating profit	10,218	36,975	8,998
Income before taxation	7,666	29,385	8,507
Net income	6,904	26,462	7,536
Total assets	413,749	418,580	374,267
Loans and advances to customers	351,353	345,763	317,250
Shareholders' equity	102,843	96,097	87,117
Return on Average Equity *	27.8%	30.1%	36.2%
Cost-to-Income	12.9%	14.0%	14.5%

* Annualized return on average equity is calculated by dividing net income by the simple average of shareholders' equity for the beginning and the ending of the period.

During the period net loan portfolio grew by 1.6% to EUR 351.4 million. Net income decreased by 8.4% year-over-year, which primarily reflects a higher provision for impairment expense. Net interest margin increased slightly to 11.1%. Operating profit grew 13.6% year-over-year. The Bank continues to operate very efficiently and the cost-to-income ratio decreased to an industry best 12.9%. To reflect certain deterioration in the loan quality, in the first quarter of 2009 the Bank increased its provisions for impairment by EUR 2.6 million. During the quarter loans in arrears of over 90 days increased from 5.8% of gross loan portfolio at 31 December, 2008 to 8.3% at 31 March, 2009.

Total capital adequacy ratio (Basel II) at March 31, 2009 on a consolidated basis was 16.1% -- well in excess of the Bulgarian National Bank requirement of 12%.

BACB continues to be very profitable with return on equity of 27.8% at 31 March 2009. Profit after tax, return on assets, the ratio of cost to income, and net interest margin were about as planned.

Negative global economic developments are being felt more acutely since the end of 2008 and continued during the first quarter of 2009. This, combined with the gas crisis, has resulted in a more visible impact upon the Bank's clients. If adversity persists, loan quality may deteriorate further, resulting in higher provisions for impairment expense. In addition, BACB relies upon wholesale funding and, depending upon market developments, the availability of wholesale funds and their cost could become an issue. To date, we have seen tightening in availability and, as a result, have experienced an increase in funding cost. Therefore, in light of the uncertainty of how global economic conditions will further affect the Bulgarian economy, for 2009 management has further moderated its growth objectives and strengthened risk management.

The Bank has performed internal assessments and stress tests to measure the possible impact of a further deterioration of the business environment on its portfolio. Based on the results, management believes that given BACB's high provision levels, conservative provisioning policies and strong capital base, the Bank is adequately positioned to face the economic hardships that started to affect Bulgarian SMEs in the last several months.

In the first quarter of 2009 certain changes have occurred to the composition of the Bank's Management Board: Mr. Frank Bauer was relieved as member of the Management Board and Mrs. Silvia Kirilova was appointed to serve as non-executive member of the Management Board of BACB.

In summary, while operating in an uncertain economic environment, in 2009 BACB plans to continue its managed growth policy with a focus on risk management and broadening sources of funding.



Dimiter Voutchev
Executive Director



Maria Sheytanova
Executive Director

April 28, 2009