

„Investbank” AD

Elena Touyova, financial analyst
elena.touyova@bcra-bg.com

FINANCIAL STRENGTH RATING	Initial rating 04.2009	Update 18.11.2009	Update 03.05.2010	Monitoring 07.12.2010
Long-term rating :	BBB-	BBB-	BBB-	BBB-
Outlook :	stable	negative	stable	negative
Short-term rating :	A-3	A-3	A-3	A-3

The Bulgarian Credit Rating Agency is the only Bulgarian agency which under verdict on Court File 25/04.06.2008 is included in the list of The Financial Supervision Committee as its ratings are acknowledged equally with the ratings of the international agencies Moody`s, Standard & Poor`s and Fitch. In 2006 BCRA adapted the banks` financial strength methodology of ICRA (An Associate of Moody`s Investors Service). The rating scale of BCRA coincides with that of Standard & Poor`s.

Bulgarian Credit Rating Agency retains the long-term bank financial strength rating of „Investbank” AD BBB- and short-term rating A-3 and changes the outlook from stable to negative. The officially adopted methodology of

assignment of bank financial strength rating by BCRA is used (http://www.bcra-bg.com/files/method_4.pdf).

During monitoring as of 30.09.2010 BCRA found out that significant growth is available with Gross overdue exposures of the bank which reach to BGN 237 766 thousand and present 32.4% of the bank`s credit portfolio. Moreover, durable downturn of Net Financial Result is reviewed (BGN 477 thousand for the nine-month period of 2010); the downturn is 91.6% on yearly basis. For these reasons, the Rating Committee of BCRA held on 07.12.2010 took a resolution to retain the assigned rating (BBB-, short-term rating – A-3); the outlook is changed from stable to negative though the increase of Equity in November 2010.

	9.2010	12.2009	9.2009
Total sum of assets	1 229 496	1019195	1 148 229
Total Equity (thousand BGN)	101 699	102562	93 672
Operating Result	9 632	16848	11 978
Net Financial Result	477	7742	5 663
Gross value of the credits	733 457	716650	738 586
Balance value of credits	712 739	697424	722 322
Gross overdue exposures	237 766	199 985	225 536
Net overdue exposures	217 048	180 759	209 272
Gross overdue exposures/ Gross value of credits	32.4%	28%	31%
Net amount of overdue exposures/Equity	213%	176%	223%