

**Rating action:** Update of a long-term credit rating according to the national scale, assignment of rating to the bank's deposits according to the agency's scale

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**The issuer:** PJSC «CB «GLOBUS»

USREOU code of the issuer: 35591059

Web-site of the issuer: <http://www.globusbank.com.ua>



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## Long-term credit rating is confirmed and deposit rating of PJSC «CB «GLOBUS» is assigned

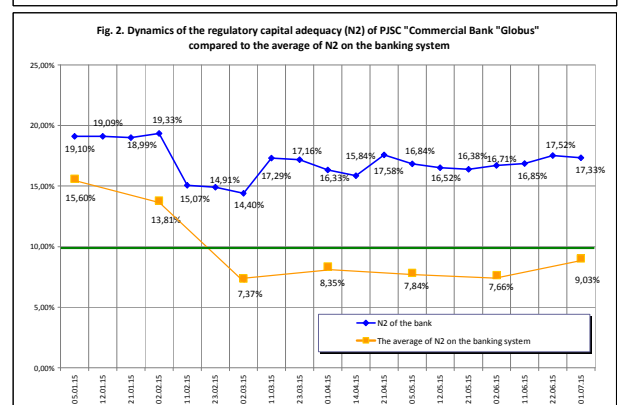
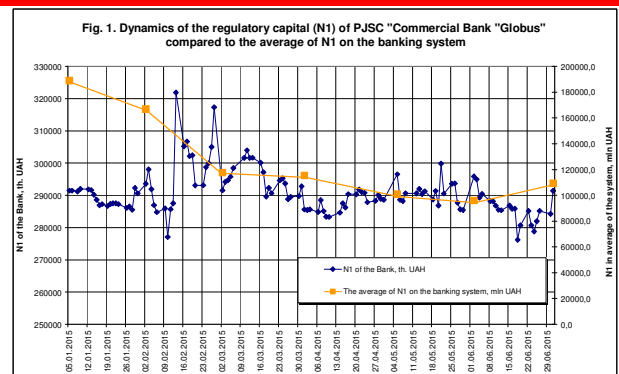
August 5, 2015 the rating committee of RA “Expert-Rating” has decided to confirm the credit rating of PJSC «CB «GLOBUS» (35591059) at the level uaA+ according to the national scale and to assign the deposit rating to the Bank at the level ua.2+ according to the Agency’s scale. The borrower with rating uaA+ is characterized by a high solvency compared to other Ukrainian borrowers. The Bank’s deposits with rating ua.2+ have a high level of reliability. Making decision to confirm the credit rating according to the national scale and to assign the deposit rating to the Bank according to the agency’s scale, RA “Expert-Rating” was guided by key results of the Bank’s activity for the first half of 2015, particular and regular information of the Bank as an issuer of securities and by specific forms of the Bank’s statistic statements.

### Equity and capital adequacy

For the second quarter of 2015 the Bank’s regulatory capital (N1) has grown by 2,04%, the average value of N1 on the banking system of Ukraine for the same period has decreased by 5,06%. Analysis of data on dynamics of the Bank’s N1 for the first half shows that the Bank’s regulatory capital has fluctuated in the range UAH 277,075 — 321,863 with the normative value not less than UAH 120 mln. On the whole, trends in dynamics of the Bank’s N1 in the first half of 2015 have corresponded to dynamics of the average N1 on the banking system.

In the second quarter of 2015 the norm of the Bank’s regulatory capital adequacy (N2) has grown by 1 p.p., in average on the system N2 has grown by 0,68 p.p. For the first half of 2015 N2 of the Bank has decreased by 1,77 p.p., the average of N2 on the system has decreased by 6,57 p.p. Dynamics of the Bank’s N2 within the first half and within the quarter has been better than the average on the banking system.

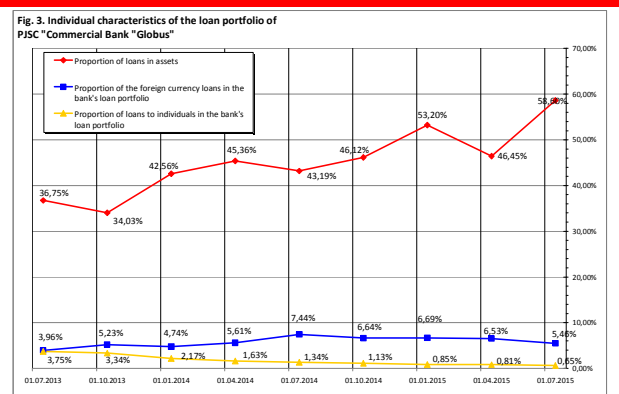
N2 of the Bank during the entire first half of 2015 has been better than the average of the normative on the system. During the entire first half the Bank has provided the reserve of N2 with respect to the value N2 on the system in the amount from 3,5 to 9,05 p.p. As of 01.07.2015 the Bank’s N2 has been by 8,3 p.p. more than the average on the banking system and by 7,33 p.p. more than the limit of the normative set by NBU.



### Structure and quality of assets

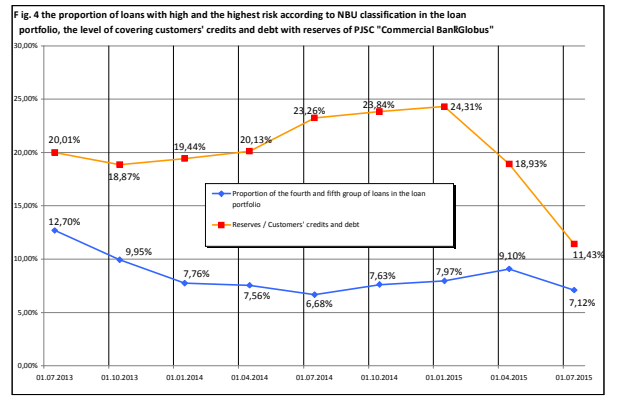
For the first half of 2015 the Bank’s assets have decreased by 0,93%, and the customers’ credits and debt have grown by 9,12%. From the beginning of the year the proportion of customers’ credits and debt in the Bank’s assets has grown from 53,2% up to 58,60%. The growth of the proportion of customers’ credits and debt in the Bank’s assets structure deserves a positive assessment; such growth in future can positively affect the interest revenues of the Bank.

In the first half of 2015 the proportion of credits of individuals in the loan portfolio of the Bank has decreased from 0,85% down to 0,65%. The Bank has had a strongly pronounced specialization in the lending business.



The proportion of foreign currency credits in the Bank's loan portfolio for the first half of 2015 has decreased from 6,69% down to 5,46%. The Agency assesses the proportion of foreign currency loans in the Bank's loan portfolio as insignificant that in future should not have a negative impact on the quality of its loan portfolio.

For the first half of 2015 the proportion of loans with high and the highest risk (according to NBU classification) has decreased from 7,97% down to 7,12%. The level of the loan portfolio quality is assessed by the Agency as very high. The Bank has complied with the norms of loan risks N7, N8, N9, N10.



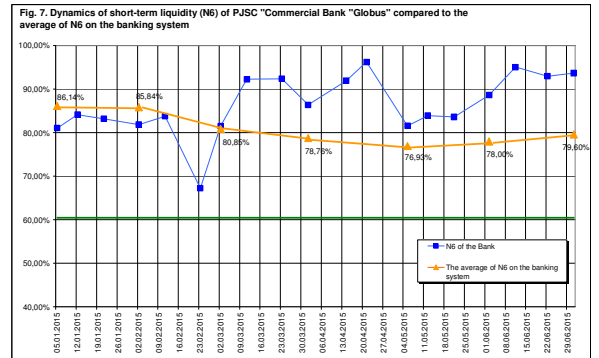
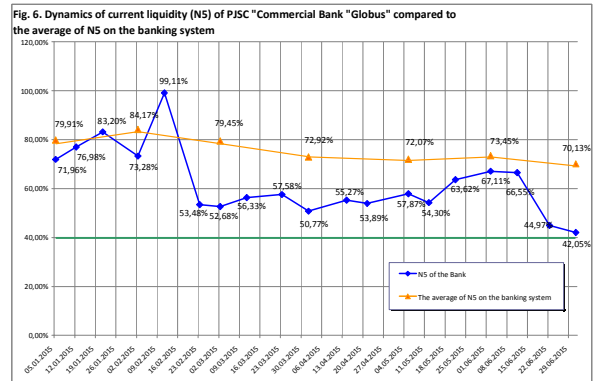
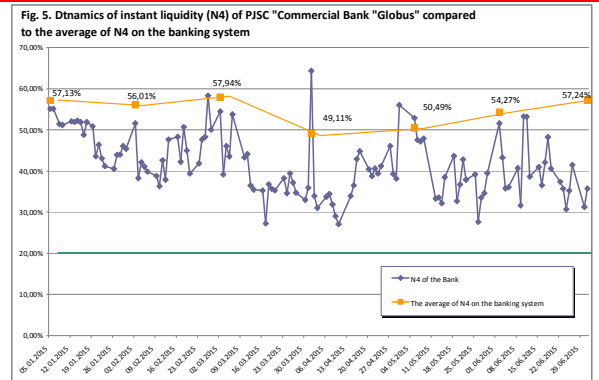
## Liquidity

In the first half of 2015 the norm of instant liquidity (N4) of the Bank has fluctuated in the range from 27,10% up to 64,36%. For the first half the Bank's N4 has decreased from 55,14% down to 35,71%. In February, April and May of 2015 the Bank's N4 has exceeded the average of N4 on the banking system. During the entire period of analysis the Bank hasn't violated the limit of N4 at all and has maintained the reserve of N4 with respect to the limit at the level from 7,10 up to 44,36 p.p. The policy of the Bank's maintaining N4 during the entire period of analysis can be characterized as moderately cautious: the Bank didn't seek to maintain the reserve with respect to the average of N4 on the system, but at the same time always maintained the reserve with respect to the limit of N4, set by NBU.

For the first half of 2015 the norm of current liquidity (N5) of PJSC «CB «GLOBUS» has decreased from 71,96% down to 42,05%. From February 11, 2015 the Bank's N5 has been stably below the average on the banking system; however the Bank all the time has held a noticeable reserve of N5 with respect to the limit value of the norm, set by NBU. The level of reserve of N5 with respect to the normative value of NBU during the half a year has fluctuated from 59,11 p.p. (11.02.2015) down to 2,05 p.p. (01.07.2015).

Dynamics of N4 and N5 of PJSC «CB «GLOBUS» has shown similar trends. According to the Agency's observations, N4 and N5 have been unevenly distributed among banks in the system: a very large reserve of these norms has been maintained by large banks. As of 01.04.2015 PJSC «CB «GLOBUS» has held the 66<sup>th</sup> position in NBU ranking by assets and has entered the fourth group according to NBU classification.

The study of dynamics of the short-term liquidity normative N6 has shown that since March of 2015 the Bank's N6 has been stably higher than the average of this norm on the banking system. The Bank has been well provided with short-term liquidity.

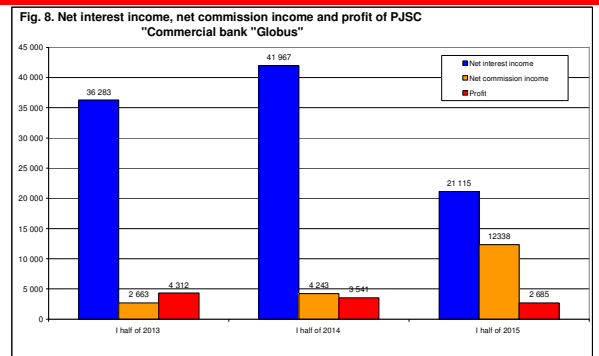


## Profitability of operations

The Bank's profit for the first half of 2015 has amounted to UAH 2,685 mln that is by 24,17% less than the same period of 2014.

At the same time, the Agency draws attention that net interest income of the Bank (NII) for the first half of 2015 has decreased by 49,69% compared to the same period of 2014, and net commission income has grown by 190,78%. The Bank has conducted the policy of substitution of falling NII by commission revenues, such step can be considered successful.

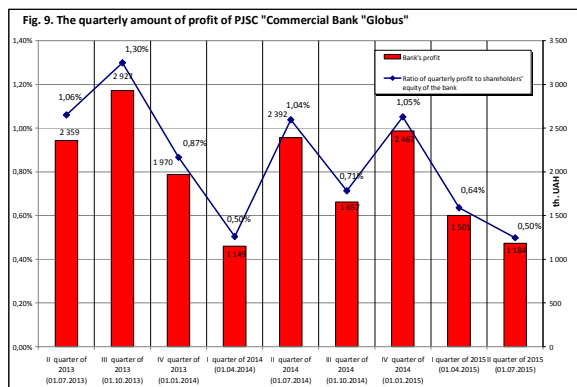
Analysis of dynamics of quarterly volumes of profit for



the last 9 quarters has shown that profit of the second and first quarters of 2015 has been insignificant, but not minimal. The historical minimum of the quarterly volume of profit has been shown by the Bank in the first quarter of 2014. For the last 9 months the level of the ratio between the quarterly volume of profit and the Bank's shareholders' equity hasn't decreased below 0,5%.

For the first half of 2015 the total loss on the banking system has amounted to UAH 81,97 bn, including on solvent banks — UAH 30,578 bn.

The ability of PJSC «CB «GLOBUS» to generate profit in a difficult economic period, as well as the maintenance of minimal ROE deserves a positive assessment.



## Other factors

Verification on public databases of the State Fiscal Service showed that PJSC «CB «GLOBUS» was registered in authorities of the SFS, as of 29.07.2015 the Bank as a taxpayer had no tax debt.

## Generalization

As of 03.08.2015 PJSC «CB «GLOBUS» has complied with the NBU norms, has performed its commitments to clients and lenders according to the current legislation and hasn't been referred by NBU to the category of problem banks.

PJSC «CB «GLOBUS» has been well provided with regulatory capital, during the first half of 2015 the Bank's N2 has been significantly higher than the average of this normative on the system.

As of 01.07.2015 customers' credits and debt has amounted to 58,6% of its assets, foreign currency credits in the Bank's loan portfolio have occupied only 5,46%. For the first half of 2015 the proportion of loans with high and the highest risk (according to NBU classification) has decreased from 7,97% down to 7,12%.

The Bank has been well provided with liquidity. The norms of instant (N4), current (N5) and short-term (N6) liquidity have been complied by the Bank within the limit values, set by NBU. Since March of 2015 the Bank's N6 has been stably higher than the average of this norm on the banking system.

For the first half of 2015 the Bank's profit has reduced by 24,17%, net interest income — by 49,69%, net commission income has grown by 190,78% compared to the same period of 2014. The ability of PJSC «CB «GLOBUS» to generate profit in a difficult economic period deserves a positive assessment.

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