

**Rating action:** Update of a long-term credit rating according to the national scale

Date of rating action: 20.09.2016

Date of publication: 20.09.2016

**The issuer:** PJSC "CB "GLOBUS"

USREOU code of the issuer: 35591059

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



[www.expert-rating.com](http://www.expert-rating.com)

## Outlook on the rating of PJSC "CB "Globus" is improved

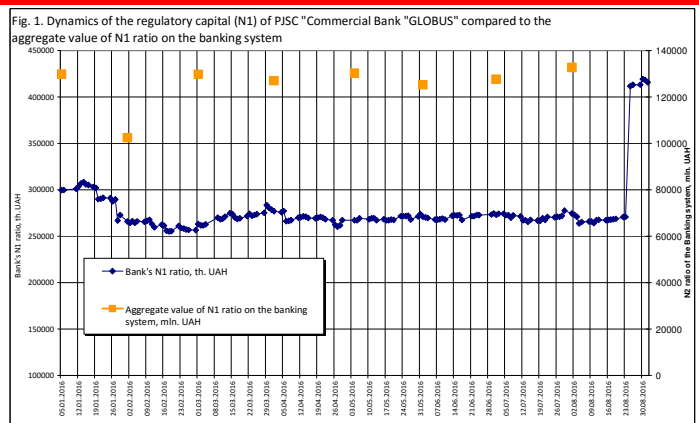
**September 20, 2016** the rating committee of RA "Expert-Rating" has decided to update the credit rating of PJSC "CB "GLOBUS" (35591059) at the level uaA+ according to the national scale and to improve the outlook from neutral to positive. As well, the deposit rating is updated at the level ua2+ according to the Agency's scale. The borrower with rating uaA+ is characterized by a high solvency compared to other Ukrainian borrowers. Making decision to confirm the rating according to the national scale, RA "Expert-Rating" was guided by the key results of the Bank's activity for the first half of 2016, particular and regular information of the Bank as an issuer of securities, and by specific forms of the Bank's statistic statements for January-August of 2016.

### Equity and capital adequacy

As of 01.09.2016 the regulatory capital of PJSC "CB "GLOBUS" (N1) has amounted to UAH 415.876 mln that is by 53.55% higher than the indicator on 01.06.2016 and by 38.87% higher than as of 05.01.2016. The growth of values of N1 ratio and current volume of the authorized capital decrease risks of non-performing NBU requirements.

The regulatory capital adequacy normative of PJSC "CB "GLOBUS" (N2) as of 01.09.2016 has amounted to 17.63% that is by 6.21 p.p. more than as of 01.06.2016. The Agency reminds that N2 ratio, set by NBU, shouldn't be lower 10%. Therefore, dynamics of N2 ratio of PJSC "CB "GLOBUS" indicates the growth of reserve of this normative to the limit value of the normative, set by NBU, as well as to the average value on the banking system, which on 01.09.2016 has amounted to 13.9%.

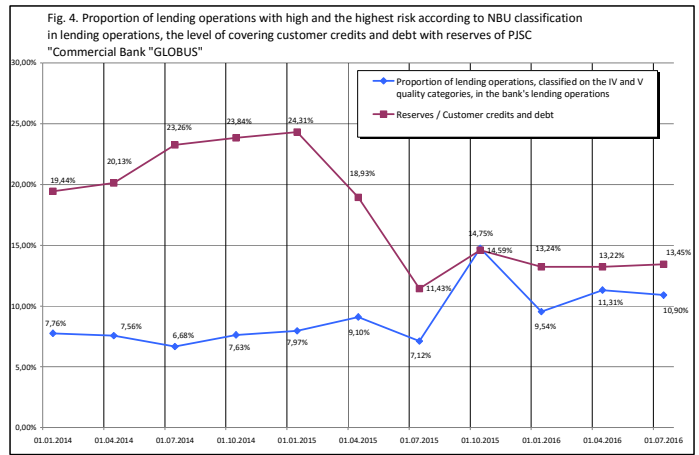
The Agency draws attention to the fact that on 23.05.2016 the Bank's shareholders made decision to increase the authorized capital by UAH 140 mln, this action has become the reason for a significant increase in N1 and N2 ratios on 23-25 August. The Agency provides a positive assessment to the increase in reserve on N1 and N2 ratios of the Bank.



and fifth quality categories according to NBU classification for the last four quarters has grown only from 7.12% to 10.90%, that corresponds to general trends on the banking system.

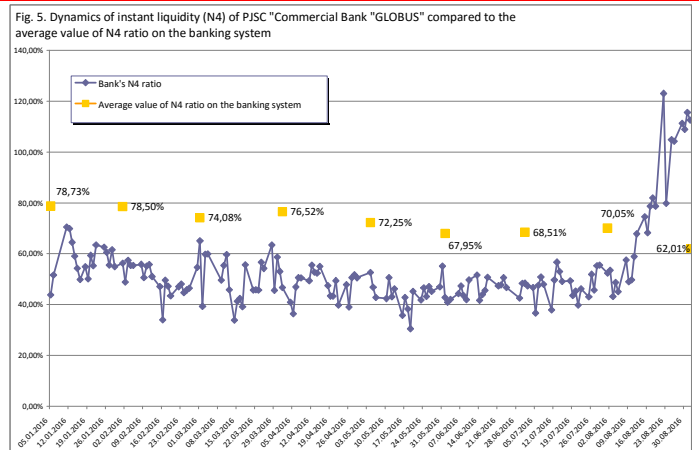
The ratio between loan provisions and customer credits and debt has grown from 11.43% to 13.45% that also reflects the market trends.

PJSC "CB "GLOBUS" throughout the last 13 quarters has maintained specialization on lending to legal entities, the proportion of loans to individuals on 01.07.2016 has amounted to only 1.80% of customer credits and debt of the Bank.

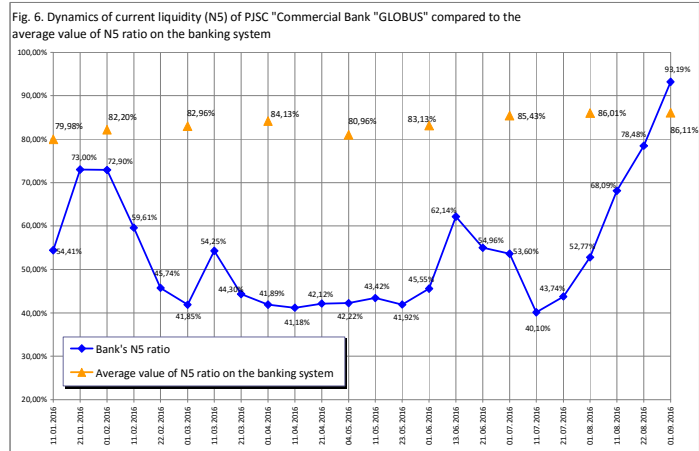


## Liquidity

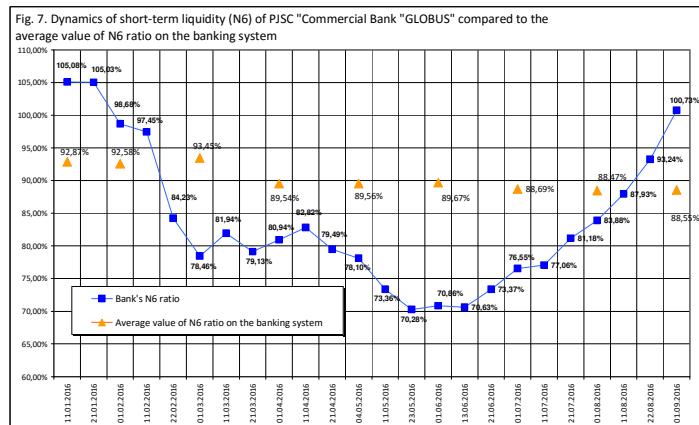
Instant liquidity ratio of PJSC "CB "GLOBUS" (N4) as of 01.09.2016 has amounted to 112.59% that is by 65.91 p.p. higher than as of 01.04.2016 and by 68.81 p.p. higher than as at the beginning of the year. Therefore, as at the beginning of September of 2016 the Bank has maintained a very great reserve of N4 instant liquidity ratio. Besides, the Agency notes that throughout the entire analysis period (from 05.01.2016 to 01.09.2016) the Bank's instant liquidity ratio (N4) hasn't dropped lower the limit level of 20%, set by the regulator.



Current liquidity ratio of PJSC "CB "GLOBUS" (N5) during the first 8 months of 2016 has fluctuated in the range from 40.10% to 93.19%. According to the statements, the Bank's N5 ratio hasn't dropped lower the limit level 40%, set by the regulator.



Short-term liquidity ratio of PJSC "CB "GLOBUS" (N6) during the first 8 months of 2016 has fluctuated from 70.28% to 105.08%. The Bank's N6 ratio hasn't dropped lower than the limit level 60%, set by the regulator.



At the same time, the Agency draws attention that starting from June of 2016 the N5 and N6 ratios and from the second decade of August on the N4 normative the bank has formed a brightly expressed upward trend by increasing a reserve of the norms to the limit value, set by NBU.

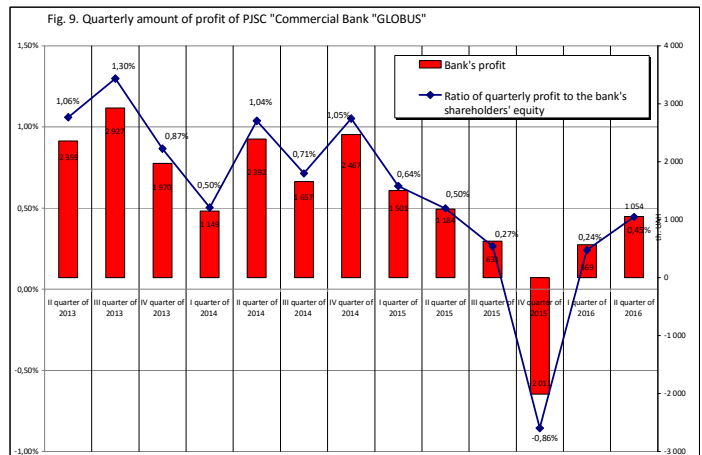
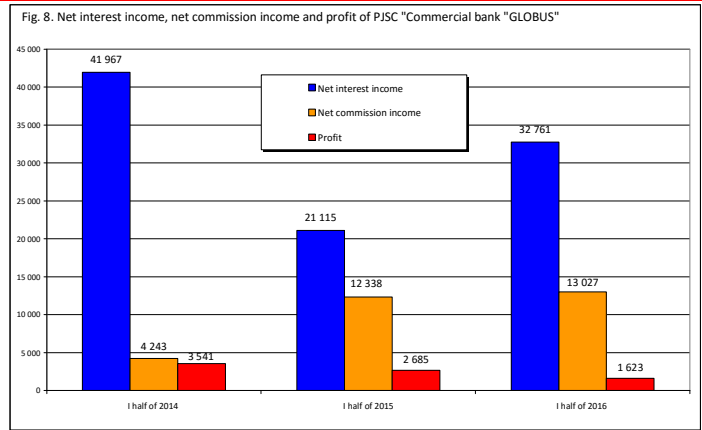
Providing the assessment of the revealed trend, it should be understood that on 01.09.2016 all the three liquidity ratios of the Bank have been higher than the averages on the banking system. The same situation has been noted with the analysis of the regulatory capital adequacy normative – N2.

## Profitability of operations

PJSC “CB “GLOBUS” has finished the first half of 2016 with profit of UAH 1.623 mln, against profit for the first half of 2015 in the amount of UAH 2.685 mln. The Agency provides a positive assessment to the very fact of the Bank’s profitable activity in the period difficult for the banking system. The Agency reminds that PJSC “CB “GLOBUS” has finished the first quarter of 2016 with profit of UAH 0.569 mln.

Perceiving the data of the Bank’s revenues, it should be taken into consideration that during the last 13 quarters PJSC “CB “GLOBUS” has prevented an unprofitable activity (except the IV quarter of 2015).

As well, in the first half of 2016 the Bank has managed to increase net interest income compared to the first half of 2015. Thus, if for the first half of 2015 the Bank’s NII has amounted to UAH 21.115 mln, then for the first half of 2016 it has increased up to UAH 32.761 mln or by 55.15%.



## Other factors

Verification on public databases of the State Fiscal Service showed that on 19.09.2016 PJSC “CB “GLOBUS” was registered in authorities of the SFS and didn't have tax debt. As well, it was established that the Bank wasn't referred by NBU to the category of problem ones, complied with key ratios, set by NBU, and performed commitments to lenders and depositors within the current legislation, rules and procedures of the Bank.

## Generalization

PJSC “CB “GLOBUS” has entered September of 2016 with a bright trend of the growth of all the three liquidity ratios and the regulatory capital adequacy normative. The Agency relates the growth of ratios with the Bank's additional capitalization in August of 2016 by UAH 140 mln. As well, PJSC “CB “GLOBUS” has provided the increase in net interest income by 55.15% in the first half of 2016, however the Bank's profit has decreased by 39.55% for the same period.

According to the Agency, the positive trends, established by the Bank in the second half of summer of 2016, enable to talk about a possible increase of the Bank's credit rating in case that these trends will be kept during the nearest 1-2 months. The Agency's decision to improve the outlook on the Bank's rating reflects the revealed trends.

**Disclaimer:** Credit ratings of RA “Expert-Rating” is an opinion that reflects the ability of an issuer (an issue of securities) to comply with financial commitments. Credit ratings are of probabilistic nature, therefore cannot be a recommendation to buy or sell securities or to use the services of the issuer. When assigning and maintaining the ratings and outlooks on ratings, RA “Expert-rating” relies on factual information which the Agency receives from issuers and underwriters and from other sources that the Agency considers reliable. The issuer, its auditor and underwriter, as well as other consultants are responsible for the accuracy of the information they provide to RA “Expert-Rating” and publish according to current normative requirements.