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PRESS RELEASE

The rating of PrJSC Kiev Insurance House confirmed at the level uaA

On September, 20th, 2012 RA Expert Rating confirmed insurer financial strength rating of Private Joint-Stock Company Kiev Insurance House (USREOU code 25201716) at the level **uaA** according to the national scale. Confirming the rating, the Agency was based on the analysis of Company work results in H1 2012.

Table

Key performance indicators of PrJSC Kiev Insurance House in H 1 2012, UAH th., %, p.p.

Indicators	H I 2012 (30.06.2012)	H I 2011 (30.06.2011)	Change	Growth rate, %
Total assets, UAH th.	65090	45431	19659	43,27%
Shareholders' equity, UAH th.	40509	24962	15547	62,28%
Total liabilities, UAH th.	24581	20469	4112	20,09%
Shareholders' equity/Insurer liabilities, %	164,80%	121,95%	42,85 p.p.	-
Cash and cash equivalent, UAH th.	32000	35219	-3219	-9,14%
Cash/Insurer liabilities, %	130,18%	172,06%	-41,88 p.p.	-
Total gross premium, UAH th.	10907,5	26940,8	-16033,3	-59,51%
Reinsurer's share in gross premium, UAH th.	2363,5	17308,9	-14945,4	-86,35%
Reinsurance cover ratio, %	21,67%	64,25%	-42,58 p.p.	-
Payouts and indemnities, UAH th.	1663	1152,2	510,8	44,33%
Payout ratio for the period, %	15,25%	4,28%	10,97 p.p.	-
Financial results, UAH th.	4680,5	4068	612,5	15,06%
ROS, %	42,91%	15,10%	27,81 p.p.	-
Net profit (loss), UAH th.	4552	3781	771	20,39%
ROE, %	11,24%	15,15%	-3,91 p.p.	-

Source: Company data, RA Expert Rating calculations

1. During the period from 30.06.2011 to 30.06.2012 the assets of insurance company have grown from UAH 45,431 million to UAH 65,090 million, i.e. on 43,27 %. Shareholders' equity grew by 62,28 % for the same period and as of 30.06.2012 made up UAH 40,509 million. Due to outstripping growth rates of shareholders' equity over liabilities of the insurer (as of 30.06.2012 their volume was UAH 24,581 million) the ratio shareholders' equity/liabilities for the last 12 months grew from 121,95 % to 164,8 %. Thus, the Company remains overcapitalized.

2. Cash means on the accounts of Kiev Insurance House as of reporting date of H1 2012 have constituted UAH 32 million, that is only on 9,14 % less than the similar indicator of 2011. But even at increase in liabilities of the company by UAH 4,112 million during the period from 30.06.2011 to 30.06.2012, liquidity level remains unprecedentedly high (130,18 %) as of 30.06.2012.

3. Following the results of Q1 2012 the insurance payouts were UAH 1,663 million, that is by 44,33 % higher than the similar indicator of 2011. At the same time, the Company managed to collect UAH 10,908 million in H1 2012 that is on UAH 16,033 million or 59,51 % less than for the same

period of 2011. Also the share of reinsurers in the gross premiums of the insurer decreased in 7,32 times according to the data for HI 2012 vs. H1 2011.

4. Despite considerable growth of insurance payouts in H1 2012, the financial result from operational activity showed growth. So, on Q2 2012 end this indicator was UAH 4,681 million, that is on 15,06 % higher higher than H1 2011 indicator. The net profit of the insurer following the results of the first 6 months of 2012 has constituted UAH 4,552 million, that is on UAH 770 thousand, or on 20,39 % higher than the indicator for the same period of 2011. ROS and ROE indicators were 42,91 % and 11,24 %, accordingly.

Therefore, unprecedentedly high level of PrJSC Kiev Insurance House capitalization and liquidity, good indicators of profitableness and return rates provide the Company high grade of rating and by that, confirm good financial strength of the insurer.

Analytical service of RA Expert Rating