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PRESS-RELEASE

(Translation from Russian)

The rating of Private JSC «Alfa Insurance» is confirmed at the level uaAA

March 29, 2013 the rating committee RA «Expert-Rating» has decided to confirm the financial stability rating to Private JSC «Insurance company «Alfa Insurance» (30968986) at the level **uaAA** according to the national scale. This rating indicates a very high level of the financial stability of the insurer compared to other Ukrainian insurance companies. When confirming the rating, the Agency was guided by the analysis of the Company's activity in 2012.

Table

**Key performance indicators of PrJSC «Alfa Insurance»
according to the results of 2012, th. UAH, %, p.p.**

Indicators	2012 (31.12.2012)	2011 (31.12.2011)	Change	Growth rate, %
Total assets, th. UAH	240293,7	207974,4	32319,3	15,54%
Shareholders' equity, th. UAH	116007,7	97994,1	18013,6	18,38%
Gross liabilities, th. UAH	124286	109980,3	14305,7	13,01%
Shareholders' equity/Liabilities ratio, %	93,34%	89,10%	4,24 p.p.	-
Cash and cash equivalents, th. UAH	131746,8	151926,8	-20180	-13,28%
Cash and cash equivalents/ Liabilities ratio, %	106,00%	138,14%	-32,14 p.p.	-
Total gross premiums, th. UAH	462522,6	359455,4	103067,2	28,67%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	12868,5	12301,1	567,4	4,61%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	2,78%	3,42%	-0,64 p.p.	-
Insurance indemnities and reimbursements, th. UAH	105645,9	92691,3	12954,6	13,98%
Insurance indemnities/Gross premiums ratio for the period, %	22,84%	25,79%	-2,95 p.p.	-
Financial result from operating activities, th. UAH	12972,1	-28613,6	41585,7	-
ROS, %	2,80%	-7,96%	10,76 p.p.	-
Net profit (loss), th. UAH	14437,3	-37606,3	52043,6	-
ROE, %	12,45%	-38,38%	50,82 p.p.	-

Source: Data of the Company, calculations by RA «Expert-Rating»

1. At the end of 2012 the level of covering liabilities with shareholders' equity of IC «Alfa Insurance» has amounted to 93,34% that indicates a high capitalization of the insurer. Shareholders' equity of the Company has grown by 18,38% in the period from 31.12.2011 to 31.12.2012 and has amounted to UAH 116,008 mln as of the reporting date of 2012, liabilities have increased by 13,01% in the same period and have amounted to UAH 124,286 mln on 31.12.2012. Assets of the insurer have grown from UAH 207,974 mln up to UAH 240,294 mln, or by 15,54% in the 12 months of 2012.

2. Liquid assets of the Company have decreased by 13,28% in 2012 and have amounted to UAH 131,747 mln as of 31.12.2012. Despite this decrease and the growth of liabilities in 2012, the level of the Company's liquidity remains at the excessive level, as indicated by the ratio of cash to liabilities, which has amounted to 106% on 31.12.2012.

3. The increase in gross premiums has amounted to 28,67% in 2012. Therefore, gross business of IC «Alfa Insurance» has amounted to UAH 462,523 mln according to the results of the analyzed year. Insurance indemnities have amounted to UAH 105,646 mln in 2012, having exceeded by 13,98% the same indicator of 2011. Against the background of the growth of gross premiums the proportion of reinsurers in gross business of the Company has slightly increased in the 12 months of 2012, only by 4,61% and has amounted to UAH 12,869 mln.

4. Private JSC «Alfa Insurance» has returned to the profitable activity in 2012. The financial result from operating activity has amounted to UAH 12,972 mln against the same indicator in 2011 of UAH -28,614 mln. Net profit has amounted to UAH 14,437 mln according to the results of 2012, while in 2011 the Company has shown net loss, which has amounted to UAH 37,606 mln. ROS and ROE have amounted to 2,8% and 12,45%, respectively, according to the results of 2012.

Therefore, the volumes growth of the Company's business, the recovery of profitable activity in 2012, the high level of capitalization and the very high level of liquidity indicate the effective work and a good level of the financial stability of IC «Alfa Insurance».

Analytical service of RA «Expert-Rating»