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PRESS-RELEASE

(Translation from Russian)

The financial stability rating of Private JSC «BROKBUSINESS» is updated at the level **uaAA-**

November 27, 2012 at the meeting of the rating committee of RA «Expert-Rating» it was decided to confirm the financial stability rating of Private JSC «IC «BROKBUSINESS» at the level **uaAA-** according to the national scale. Making decision of confirming the rating, the Agency was guided by the results of analysis of the insurer's activity in the 9 months of 2012.

Table

Key performance indicators of Private JSC «IC «BROKBUSINESS»

Indicators	9 months of 2012 (01.10.2012)	9 months of 2011 (01.10.2011)	Change	Growth rate, %
Total assets, th. UAH	230502	210229	20273	9,64%
Shareholders' equity, th. UAH	102652	116236	-13584	-11,69%
Gross liabilities, th. UAH	127850	93993	33857	36,02%
Shareholders' equity/Liabilities ratio (the capital adequacy ratio), %	80,29%	123,66%	-43,37 p.p.	-
Cash and cash equivalents, th. UAH	110388	94057	16331	17,36%
Cash and cash equivalents/ Liabilities ratio, %	86,34%	100,07%	-13,73 p.p.	-
Total gross premiums, th. UAH	97889,8	102714,1	-4824,3	-4,70%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	20870,4	6647,3	14223,1	213,97%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	21,32%	6,47%	14,85 p.p.	-
Insurance indemnities and reimbursements, th. UAH	32828,2	46623,5	-13795,3	-29,59%
Insurance indemnities/Gross premiums ratio for the period, %	33,54%	45,39%	-11,86 p.p.	-
Financial result from operating activities, th. UAH	22995	26649	-3654	-13,71%
ROS, %	23,49%	25,94%	-2,45 p.p.	-
Net profit (loss), th. UAH	26833	25145	1688	6,71%
ROE, %	26,14%	21,63%	4,51 p.p.	-

Source: Data of Private JSC «IC «BROKBUSINESS», calculations by RA «Expert-Rating»

1. The ratio of cash to liabilities has decreased from 100,07% (on 30.09.2011) down to 86,34% (on 30.09.2012). In the period from 30.09.2011 to 30.09.2012 the cash at the accounts of the Company has grown from UAH 94,057 mln up to UAH 110,388 mln (or by 17,36%), and gross liabilities have increased from UAH 93,993 mln up to UAH 127,85 mln in the same period, or by 36,02%. The liquidity level of 86,34% exceeds the market average of this indicator.

2. Assets of the Company have amounted to UAH 230,502 mln as of the reported date of the 9 months of 2012 that is by 9,64% more, than the same indicator on 30.09.2011. Shareholders' equity of the insurer has decreased by 11,69% in the period from 30.09.2011 to 30.09.2012 and its volume has amounted to UAH 102,652 mln on 30.09.2012. As a result of a significant increase in gross liabilities, the autonomy ratio has decreased from 123,66% down to 80,29%. The Agency estimates the capitalization level of IC «BROKBUSINESS» as acceptable on 30.09.2012.

3. In the 9 months of 2012 the Company has collected UAH 97,89 mln of gross premiums that is only by 4,7% less, than the indicator of 2011. At the same time, the proportion of reinsurers in gross premiums of the Company has increased in 3,14 times according to the results of the 9 months of 2012 compared to the indicator of the 9 months of the previous year. Insurance indemnities have amounted to UAH 32,828 mln in the first three quarters of 2012 that is by 29,59% less, than in the same period of 2011. The reduction of indemnities has positively affected the activity results of IC «BROKBUSINESS».

4. The financial result from operating activities of the insurer has amounted to UAH 22,995 mln according to the 9 months of 2012. Net profit of IC «BROKBUSINESS» has amounted to UAH 26,833 mln in the three quarters of current year that is by 6,71% more, than the indicator of of the 9 months of 2011. As a result of the high profitability indicators of the Company, ROS and ROE are also at the good levels: 23,49% and 26,14%, respectively.

According to the analysis of the insurer's activity in the 9 months of 2012 the Agency notes a good level of liquidity and an acceptable level of capitalization of the Company, high profitability indicators that explains a high level of the rating of IC «BROKBUSINESS».

Analytical service of RA «Expert-Rating»