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PRESS-RELEASE

(Translation from Russian)

The financial stability rating of the insurer Private JSC «IC «BROKBUSINESS» is confirmed at the level uaAA-

March 20, 2013 the rating committee of RA «Expert-Rating» has decided to confirm the financial stability rating of Private JSC «Insurance company «BROKBUSINESS» (20344871) at the level **uaAA-** according to the national scale. When confirming the rating at such a high level, the Agency was based on the analysis results of the Company's activity in 2012.

Table

Key performance indicators of Private JSC «IC «BROKBUSINESS»

Indicators	2012 (31.12.2012)	2011 (31.12.2011)	Change	Growth rate, %
Total assets, th. UAH	205779	212209	-6430	-3,03%
Shareholders' equity, th. UAH	111949	116227	-4278	-3,68%
Gross liabilities, th. UAH	93830	95982	-2152	-2,24%
Shareholders' equity/Liabilities ratio, %	119,31%	121,09%	-1,78 p.p.	-
Cash and cash equivalents, th. UAH	83066	93582	-10516	-11,24%
Cash and cash equivalents/ Liabilities ratio, %	88,53%	97,50%	-8,97 p.p.	-
Total gross premiums, th. UAH	132594,8	150463,9	-17869,1	-11,88%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	32559,9	6935,8	25624,1	369,45%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	24,56%	4,61%	19,95 p.p.	-
Insurance indemnities and reimbursements, th. UAH	40909,3	73979,8	-33070,5	-44,70%
Insurance indemnities/Gross premiums ratio for the period, %	30,85%	49,17%	-18,31 p.p.	-
Financial result from operating activities, th. UAH	27339	21625	5714	26,42%
ROS, %	20,62%	14,37%	6,25 p.p.	-
Net profit (loss), th. UAH	36565	25136	11429	45,47%
ROE, %	32,66%	21,63%	11,04 p.p.	-

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

1. According to the results of 2012 IC «BROKBUSINESS» remains the overcapitalized company, as indicated by the ratio of shareholders' equity to liabilities of the insurer, which has amounted to 119,31% as of 31.12.2012. Key balance sheet indicators have slightly decreased in 2012. Thus, at the end of 2012 the assets have amounted to UAH 205,779 mln that is by 3,03% less than the same indicator at the end of 2011. Shareholders' equity has decreased by 3,68% in the period from 31.12.2011 to 31.12.2012 and as of the reporting date of 2012 it has amounted to UAH 111,949 mln. At the same time, liabilities of the insurer have decreased by 2,24% in the same period and have amounted to UAH 93,83 mln on 31.12.2012.

2. Cash at the accounts of the Company have amounted to UAH 83,066 mln on 31.12.2012 that is by 11,24% less than on 31.12.2011. Due to the faster decline rates of liquid assets over liabilities of the insurer the ratio of cash to liabilities has fallen by 8,97 p.p. in the 12 months of 2012 and has amounted to 88,53% on 31.12.2012. This ratio still considerably exceeds the average of this indicator of the market.

3. IC «BROKBUSINESS» has managed to collect UAH 132,595 mln of gross premiums during the 4 quarters of 2012 that is by 11,88% less than the same indicator of 2011. At the same time, insurance indemnities have reduced by 44,7% in 2012 compared to 2011 and at the end of 2012 its volume has amounted to UAH 40,909 mln. Therefore, the level of indemnities of the Company has decreased down to 30,85% according to the results of 2012. The proportion of the reinsurance companies in gross business of the insurer, in contrary, has increased from UAH 6,936 mln to UAH 32,56 mln, or by 369,45% in 2012.

4. The 2012 year for the Company has been characterized by the growth of profitability indicators. Thus, the financial result from operating activity of the insurer has amounted to UAH 27,339 mln according to the results of 2012 that is by 26,42% higher than the indicator of 2011. Net profit of IC «BROKBUSINESS» has amounted to UAH 36,565 mln in 2012 that is by 45,47% more than the same indicator of 2011. As a result, indicators of ROS and ROE have also increased and have amounted to 20,62% and 32,66%, respectively.

Therefore, an excessive level of the Company's capitalization against the background of a considerable growth of profitability indicators, the high level of liquidity confirm the high rating Private JSC «IC «BROKBUSINESS» and indicate the high level of the insurer's financial stability.

Analytical service of RA «Expert-Rating»