Україна, 04073, м. Київ, пров.
Куренівський, 15, офіс 29
тел.: +38 (044) 227-60-74
general@expert-rating.com
www.expert-rating.com

RATING AGENCY EXPERT RATING

Office. 29, 15 Kurenivs'kyi Ln.,
Kyiv, 04073, Ukraine
Tel.: +38 (044) 227-60-74
general@expert-rating.com
www.expert-rating.com

04.12.2012

PRESS-RELEASE

(Translation from Russian)

The financial stability rating of JSC IC «Busin» is confirmed at the level uaAA

December 04, 2012 the rating committee of RA «Expert-Rating» confirms the financial stability rating of the insurer JSC IC «Busin» at the level **uaAA** according to the national scale. Confirming the rating of the insurer at such a high level, the Agency was based on the results of the Company's activity in the 9 months of 2012.

Table 1

Key performance indicators of JSC IC «BUSIN»

Indicators	9 months of 2012 (01.10.2012)	9 months of 2011 (01.10.2011)	Change	Growth rate, %
Total assets, th. UAH	98463,8	83759,3	14704,5	17,56%
Shareholders' equity, th. UAH	51812	47517,2	4294,8	9,04%
Gross liabilities, th. UAH	46651,8	36242,1	10409,7	28,72%
Shareholders' equity/Liabilities ratio (the capital adequacy ratio), %	111,06%	131,11%	-20,05 p.p.	-
Cash and cash equivalents, th. UAH	36859,5	38020	-1160,5	-3,05%
Cash and cash equivalents/ Liabilities ratio, %	79,01%	104,91%	-25,90 p.p.	-
Total gross premiums, th. UAH	59933,2	50915,4	9017,8	17,71%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	25855,5	33070,6	-7215,1	-21,82%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	43,14%	64,95%	-21,81 p.p.	-
Insurance indemnities and reimbursements, th. UAH	19982,6	1308,4	18674,2	1427,25%
Insurance indemnities/Gross premiums ratio for the period, %	33,34%	2,57%	30,77 p.p.	-
Financial result from operating activities, th. UAH	5464,6	11340,1	-5875,5	-51,81%
ROS, %	9,12%	22,27%	-13,15 p.p.	-
Net profit (loss), th. UAH	4312	11619,8	-7307,8	-62,89%
ROE, %	8,32%	24,45%	-16,13 p.p.	-

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

1. Due to the payment of indemnities for the Aviation hull insurance of the aircraft Ka-32T of the foreign airline crashed in Romania on April 26, 2012, the indemnities have increased in the 9 months of 2012 and have amounted to UAH 19,983 mln that exceed in 15,27 times the same indicator of 2011. Gross premiums have amounted to UAH 59,933 mln in the first three quarters of 2012 that is by 17,71% higher than the indicator in the same period of 2011.

2. A significant growth of insurance indemnities has negatively affected the financial result from operating activity and the net profit of the Company. Thus, the financial result from operating activity of the insurer has amounted to UAH 5,465 mln in the 9 months of 2012. Net profit has amounted to UAH 4,312 mln in the same period. Indicators of ROS and ROE have amounted to 9,12% and 8,32%, respectively. However, the Company has managed to return to the profitable activity according to the results of the 9 months of 2012.

3. In the period from 01.10.2011 to 01.10.2012 the assets of IC «Busin» have increased by 17,56% and have amounted to UAH 98,464 mln as of the beginning of the fourth quarter of 2012. The increase in liabilities has amounted to 28,72% and its amount has equaled to UAH 46,652 mln on 01.10.2012. At the same time, shareholders' equity has increased from UAH 47,517 mln up to UAH 51,812 mln, or by 9,04%. Despite the priority growth rates of liabilities over shareholders' equity, IC «Busin» remains the overcapitalized company, as indicated by the ratio of shareholders' equity to liabilities of the insurer at the level 111,06%.

4. Cash at the Company's accounts has amounted to UAH 36,86 mln on 01.10.2012 that is only by 3,05% less than the indicator on 01.10.2011. But, taking into account the growth of liabilities by 28,72% in the last 12 months, the ratio of cash to liabilities of the insurer has decreased by 25,90 p.p. and has amounted to 79,01% as of 01.10.2012. This indicator demonstrates a sufficient level of the Company's liquidity.

JSC IC «Busin» specializes in insurance of large risks. That is why, large indemnities on insured accidents don't bear a significant threat to the financial stability of the Company as indicated by an excessive level of capitalization and a sufficient level of the insurer's liquidity, and also by the fact of the company's returning to the profitable activity according to the results of the 9 months of 2012.

Analytical service of RA «Expert-Rating»