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(Translation from Russian)

The rating of PrJSC «Kiev insurance house» is updated at the level uaA

December 03, 2012 at the meeting of the rating committee of RA «Expert-Rating» it was decided to confirm the financial stability rating of the insurer Private JSC «Kiev insurance house» at the level **uaA** according to the national scale. Basing on the results of the Company's activity in the 9 months of 2012, the Agency has confirmed the insurer's rating at this level.

Table 1

Key performance indicators of Private JSC «Kiev insurance house» in the 9 months of 2012, th. UAH, %, p.p.

Indicators	9 months of 2012 (01.10.2012)	9 months of 2011 (01.10.2011)	Change	Growth rate, %
Total assets, th. UAH	65060	52390,5	12669,5	24,18%
Shareholders' equity, th. UAH	43397	29453,3	13943,7	47,34%
Gross liabilities, th. UAH	21663	22937,2	-1274,2	-5,56%
Shareholders' equity/Liabilities ratio (the capital adequacy ratio), %	200,33%	128,41%	71,92 p.p.	-
Cash and cash equivalents, th. UAH	36940	35158,8	1781,2	5,07%
Cash and cash equivalents/ Liabilities ratio, %	170,52%	153,28%	17,24 p.p.	-
Total gross premiums, th. UAH	18501,7	35177,9	-16676,2	-47,41%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	5072,3	17559,9	-12487,6	-71,11%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	27,42%	49,92%	-22,50 p.p.	-
Insurance indemnities and reimbursements, th. UAH	2015,4	1812,2	203,2	11,21%
Insurance indemnities/Gross premiums ratio for the period, %	10,89%	5,15%	5,74 p.p.	-
Financial result from operating activities, th. UAH	11758	8783,5	2974,5	33,86%
ROS, %	63,55%	24,97%	38,58 p.p.	-
Net profit (loss), th. UAH	11281	8272,7	3008,3	36,36%
ROE, %	25,99%	28,09%	-2,09 p.p.	-

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

1. Shareholders' equity of Private JSC «Kiev insurance house» has increased by 47,34% in the period from 01.10.2011 to 01.10.2012, while liabilities have decreased by 5,56%. As a result, the high autonomy ratio has grown by 71,92 p.p. and has amounted to 200,33% as of 01.10.2012 that indicates a good level of the Company's solvency. Assets of the insurer have amounted to UAH 65,06 mln on 01.10.2012 that is by 24,18% more than the same indicator at the same date of 2011.

2. Cash at the accounts of the Company has increased from UAH 35,159 mln up to UAH 36,94 mln, or by 5,07% in the last 12 months. Considering the decrease in liabilities and the growth of liquid assets in the same period, the liquidity ratio has grown by 17,24 p.p. Therefore, the ratio of cash to liabilities has amounted to 170,52% on 01.10.2012 that indicates an excess level of the insurer's liquidity.

3. IC «Kiev insurance house» has collected UAH 18,502 mln in the 9 months of 2012 that is by 47,41% less than the indicator of 2011. Besides, it is observed the decrease in the reinsurers proportion in the portfolio of the insurance company. Thus, premiums belonged to the reinsurers have

decreased from UAH 17,56 mln down to UAH 5,072 mln, or by 71,11% in the first three quarters of 2012. It is also necessary to note that according to the results of the 9 months of 2012 the tendency of reduction of the external reinsurance is common for the whole market.

Insurance indemnities of the Company have amounted to UAH 2,015 mln according to the results of the 9 months of 2012 that is by 11,21% higher than the indicator of the 9 months of the past year.

4. Despite a decrease in gross business according to the results of the first three quarters of 2012 the profitability indicators have demonstrated the growth. The financial result from operating activities has grown from UAH 8,784 mln up to UAH 11,758 mln, or by 33,86%. The net profit of the insurer has amounted to UAH 11,281 mln in the 9 months of 2012 that is by 36,36% higher than the indicator of the 9 months of 2011. Consequently, the indicators ROS and ROE have shown high values according to the results of the 9 months of 2012 and have amounted to 63,55% and 25,99%, respectively.

According to the results of the 9 months of 2012 the decrease in gross business of IC «Kiev insurance house» hasn't negatively affected the financial situation of the company. The insurer still demonstrated high indicators of capitalization, liquidity and profitability.

Analytical service of RA «Expert-Rating»