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PRESS-RELEASE

(Translation from Russian)

The rating of Private JSC «IC «NOVA» is confirmed at the level uaAA

April 1, 2013 at the meeting of the rating committee of RA «Expert-Rating» it was decided to confirm the financial stability rating of Private JSC «Insurance company «NOVA» (31241449) at the level **uaAA** (a very high level of stability) according to the national scale. Updating the rating, the Agency was guided by the results of the analysis of the Company's activity in 2012.

Table

Key performance indicators of PrJSC «IC «NOVA» in 2012 (th. UAH, p.p., %)

| Indicators | 2012 (31.12.2012) | 2011 (31.12.2011) | Change, p.p. | Growth rate, % |
|--|----------------------|----------------------|-----------------|-------------------|
| Total assets, th. UAH | 81663 | 80661,6 | 1001,4 | 1,24% |
| Shareholders' equity, th. UAH | 54903 | 38039,2 | 16863,8 | 44,33% |
| Gross liabilities, th. UAH | 26760 | 42622,4 | -15862,4 | -37,22% |
| Shareholders' equity/Liabilities ratio, % | 205,17% | 89,25% | 115,92 p.p. | - |
| Cash and cash equivalents, th. UAH | 29340 | 35178,5 | -5838,5 | -16,60% |
| Cash and cash equivalents/ Liabilities ratio, % | 109,64% | 82,54% | 27,11 p.p. | - |
| Total gross premiums, th. UAH | 41611,5 | 70720,3 | -29108,8 | -41,16% |
| Proportion of insurance premiums, belonged to the reinsurers, th. UAH | 18473,8 | 12382,4 | 6091,4 | 49,19% |
| Insurance premiums, belonged to the reinsurers/Gross premiums ratio, % | 44,40% | 17,51% | 26,89 p.p. | - |
| Insurance indemnities and reimbursements, th. UAH | 22458 | 25382 | -2924 | -11,52% |
| Insurance indemnities/Gross premiums ratio for the period, % | 53,97% | 35,89% | 18,08 p.p. | - |
| Financial result from operating activities, th. UAH | -371 | 11876,7 | - | - |
| ROS, % | -0,89% | 16,79% | - | - |
| Net profit (loss), th. UAH | 21443 | 2952,3 | 18490,7 | 626,32% |
| ROE, % | 39,06% | 7,76% | 31,29 p.p. | - |

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

1. Private JSC «Insurance company «NOVA» has possessed by the excessive level of liquidity on 31.12.2012, as indicated by the ratio of cash to liabilities of the insurer, which has amounted to 109,64% at the appointed date against the same indicator of 82,54% in 2011. The increase in the liquidity level (by 27,11 p.p.) has been caused by the faster decrease rates of liabilities over cash in 2012. Thus, in the period from 31.12.2011 to 31.12.2012 gross liabilities of the insurer have decreased by 37,22% down to UAH 26,76 mln, and cash at the Company's accounts have decreased by 16,6% down to UAH 29,34 mln in the same period.

2. Assets of the insurer have amounted to UAH 81,663 mln as of 31.12.2012 that is by 1,24% more than assets on 31.12.2011. Shareholders' equity of the Company has increased from UAH 38,039 mln up to UAH 54,903 mln in the same period, and liabilities, in contrary, have decreased from UAH 42,622 mln down to UAH 26,76 mln. As a result, capitalization of IC «NOVA» has been at an excessive level as of the end of 2012 that is confirmed by the ratio of shareholders' equity to liabilities of the insurer, which has amounted to 205,17% as of 31.12.2012. This ratio indicates a very high level of the Company's solvency.

3. Against the background of unfavorable economic conditions in Ukraine IC «NOVA» has managed to collect UAH 41,612 mln of gross premiums in 2012 that is by 41,16% less than the same indicator of 2011. Insurance indemnities of the Company have also decreased from UAH 25,382 mln down to UAH 22,458 mln, or by 11,52% in 2012. At the same time, the proportion of reinsurance companies in gross business of the insurer has grown in 2012 compared to the indicator of 2011: from UAH 12,382 mln up to UAH 18,474 mln, or by 49,19%.

4. Due to the faster decrease rates of premiums over the decrease rates of administrative and other operating expenses in the analyzed period, the financial result from operating activity has amounted to UAH -371 th. in 2012. Respectively, ROS of the Company has fallen down to negative level of -0,89%. However, the insurer has managed to finish the 2012 year with profit. Thus, net profit has amounted to UAH 21,443 mln according to the results of the 12 months of 2012 that is in 7,26 times more than the indicator of net profit in 2011. ROE has grown up to 39,06% in 2012.

Therefore, excessive levels of capitalization and liquidity, as well as considerable growth of profit of Private JSC «IC «NOVA» in 2012 have positively affected the financial stability of the insurer.

Analytical service of RA «Expert-Rating»