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

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

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PRESS-RELEASE

(Translation from Russian)

RA «Expert-Rating» suspends the rating of NJSIC «ORANTA»

December 1, 2011 the rating committee of RA «Expert-Rating» has made a decision of suspending the financial stability rating of NJSIC "ORANTA". This decision has been adopted by the rating committee due to the following factors:

1. In the H2 of 2011 the external support of the company's shareholders, which was approved in practice in the past, has become uncertain. The company tried to conduct the meeting of shareholders several times, but didn't succeed to realize it. Since the shareholders' meeting is the key component of making decision about raising the authorized capital, RA "Expert-Rating" changes the assessment of external support for NJSIC "ORANTA" from high to uncertain.

2. When taking into account the uncertain external support, the company's cash has decreased by 52,27% for the period from 01.10.2010 to 01.10.2011. The amount of cash at the company's accounts has equaled to UAH 116,67 mln. as of 01.10.2011. At the same time cash and cash equivalents/ liabilities ratio has declined from 73% to 43% for the same period. In autumn of 2011 the reduction in liquidity typical for most of financial institutions provides the factor of uncertainty into the analysis of the insurer's financial stability against the increasingly uncertain support of shareholders.

3. At the same time the Company has succeeded to break the long term trend of reducing gross business according to the 9 months of 2011. NJSIC "ORANTA" has collected UAH 479 mln. of gross premiums for the 9 months of 2011, for the same period of 2010 – by 2,96% less. NJSIC "ORANTA" has completed the 9 months of 2011 with net profit of UAH 0,356 mln., i.e. the company's activity has remained profitable.

Thus, the key incentive of rating actions of RA "Expert-Rating" in respect of NJSIC "ORANTA" has become the uncertainty of shareholders' support against the falling liquidity of the company. According to the RA "Expert-Rating" the relationship between the shareholders of the company is considered as uncertain, that is why the Agency can't maintain the high rating of the insurer's financial stability. On the other hand, NJSIC "ORANTA" has shown satisfied results for the 9 months of 2011, and the rating can be renewed if there is understanding between the key shareholders of the insurer concerning the further development of the company.

Press service of RA «Expert-Rating»