

15.06.2012

## Rating conclusion

(Translation from Russian)

### The credit rating uaA is assigned to Private JSC «Insurance company «Persha»

At the meeting of the rating committee it was decided to assign the credit rating/ the financial stability rating of the insurer/ to Private JSC «Insurance company «Persha» at the level uaA according to the national scale. Assigning the investment level of rating, the Rating committee was guided by the analysis of the results of the company's activity in the last reported period.

Table 1

#### Key performance indicators of Private JSC «IC «Persha» in the Q1 of 2012, th. UAH, p.p., %

Indicators	I quarter of 2012 (31.03.2012)	I quarter of 2011 (31.03.2011)	Change	Growth rate, %
Total assets, th. UAH	97310	63444	33866	53,38%
Shareholders' equity, th. UAH	42884	18445	24439	132,50%
Gross liabilities, th. UAH	54426	44999	9427	20,95%
Shareholders' equity/Liabilities ratio (the capital adequacy ratio), %	78,79%	40,99%	37,80 p.p.	-
Cash and cash equivalents, th. UAH	28128	16094	12034	74,77%
Cash and cash equivalents/ Liabilities ratio, %	51,68%	35,77%	15,92 p.p.	-
Total gross premiums, th. UAH	37099	25869	11230	43,41%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	11324	10189	1135	11,14%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	30,52%	39,39%	-8,86 p.p.	-
Insurance indemnities and reimbursements, th. UAH	6903	6291	612	9,73%
Insurance indemnities/Gross premiums ratio for the period, %	18,61%	24,32%	-5,71 p.p.	-
Financial result from operating activities, th. UAH	931	1846	-915	-49,57%
ROS, %	2,51%	7,14%	-4,63 p.p.	-
Net profit (loss), th. UAH	126	32	94	293,75%
ROE, %	0,29%	0,17%	0,12 p.p.	-

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

#### Key conclusions on the activity analysis of Private JSC «IC «Persha» in the Q1 of 2012:

1. In the period from 31.03.2011 to 31.03.2012 assets of the Company have grown by 53,38% and on 01.04.2012 they have amounted to UAH 97,31 mln. Shareholders' equity has increased from UAH 18,445 mln up to UAH 42,884 mln, i.e. by 132,5% in the same period. At the same time, gross liabilities of the insurer have demonstrated an increase of UAH 9,427 mln and, thus, as of 31.03.2012 liabilities have amounted to UAH 54,426 mln. As a result, the ratio of shareholders' equity to liabilities of the insurance company has grown from 40,99% (as of 31.03.2011) up to 78,79% (as of 31.03.2012) that indicates a good capitalization level of Private JSC «IC «Persha».

2. Cash on accounts of the Company has increased by 74,77% in the period from 31.03.2011 to 31.03.2012 and, therefore, its volume has amounted to UAH 28,128 mln at the end of the Q1 of

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2012. Due to a significant increase of cash, the insurer's liquidity ratio has improved. On 31.03.2011 the ratio of cash to liabilities of the Company has amounted to 35,77%, while as of 31.03.2012 this indicator amounted to 51,68%. Therefore, the level of the insurer's liquidity remains approximately by 20 p.p. lower, than the average of the system, although this liquidity level is acceptable, because of the specifics of the company's client portfolio.

3. IC «Persha» has collected UAH 37,099 mln in the Q1 of 2012 that is by 43,41% more, than the same indicator in the Q1 of 2011. At the same time, insurance indemnities of the company have increased only by 9,73% and its volume has amounted to UAH 6,903 mln following the results of the Q1 of 2012. As a result, the ratio between indemnities and gross premiums has reduced by 5,71 p.p. and this indicator has amounted to 18,61% according to the results of the three months of 2012.

4. Financial result from operating activities of the company has amounted to UAH 931 th. in the Q1 of 2012. Net profit of IC «Persha» has grown almost in 4 times: from UAH 32 th. up to UAH 126 th. in the first three months of 2012 compared to the same period of 2011. Due to the increase in net profit of the insurer, ROE has increased by 0,12 p.p. and has amounted to 0,29% following the results of the Q1 of 2012.

Therefore, a significant increase in gross premiums indicates a growth of the Company's market share, at the same time its activity remains profitable. Good level of capitalization, satisfactory level of liquidity and availability of reserve of solvency in IC «Persha» are the justification of a high credit rating of the insurer.

*Analytical service of RA «Expert-Rating»*