

14.11.2011

Press-release (Translation from Russian)

IC “BROKBUSINESS” has increased the amount of net profit almost by 30% for the 9 months of 2011

The financial stability rating of the insurer Private JSC “IC “BROKBUSINESS” has been confirmed at the level **uaAA-**

November 14, 2011 RA «Expert-Rating» has confirmed the stability rating of PRIVATE JSC “IC “BROKBUSINESS” at the level **uaAA-** according to the national scale. When confirming the rating of the insurer, the Agency was guided by the results of the company operations for the 9 months of 2011.

Table 1

Key performance indicators of Private JSC “IC “BROKBUSINESS”

Indicators	9 months of 2011 01.10.2011	9 months of 2010 01.10.2010	Change	Growth rate, %
Total assets, th. UAH	210229	215010,5	-4781,5	-2,22%
Shareholders' equity, th. UAH	116236	103357,1	12878,9	12,46%
Total liabilities, th. UAH	93993	111653,4	-17660,4	-15,82%
Shareholders' equity/ Total liabilities, %	123,66%	92,57%	31,09 p.p.	-
Cash and cash equivalents, th. UAH	94057	101170,1	-7113,1	-7,03%
Cash and cash equivalents/ Total liabilities, %	100,07%	90,61%	9,46 p.p.	-
Gross premiums, th. UAH	102714,1	157043,4	-54329,3	-34,60%
Reinsurer's share in gross premium, th. UAH	6647,3	28914,1	-22266,8	-77,01%
Reinsurer's share in gross premium/ Gross premiums ratio, %	6,47%	18,41%	-11,94 p.p.	-
Insurance benefits and reimbursements, th. UAH	46623,5	60116,7	-13493,2	-22,45%
Insurance benefits and reimbursements/ Gross premiums ratio for the period, %	45,39%	38,28%	7,11 p.p.	-
Financial result from operating activities, th. UAH	26649	20445	6204	30,34%
ROS, %	25,94%	13,02%	12,93 p.p.	-
Net profit (loss), th. UAH	25145	19456	5689	29,24%
ROE, %	21,63%	18,82%	2,81 p.p.	-

Source: Data of Private JSC «IC «Brokbusiness», calculations by RA «Expert-Rating»

The key conclusions of the activity analysis of PRIVATE JSC “IC “BROKBUSINESS” for the 9 months of 2011:

1. Shareholders' equity of IC “BROKBUSINESS” has increased by 12,46% and liabilities have decreased by 15,82% for the period from 01.10.2010 to 01.10.2011. As a result, Shareholders' equity/ Total liabilities ratio of the insurer has grown by 31,09 p.p. Shareholders' equity of the company has been in 1,24 times more than its liabilities. According to the Agency, IC “BROKBUSINESS” has adhered the adequate level of capitalization. At the same time cash on the company's accounts has decreased by 7,03% up to UAH 94,057 m for the same period. However,

Cash and cash equivalents/ Total liabilities ratio has grown from 90,61% to 100,07% due to the reduction of liabilities.

2. Gross premiums have declined by 34,6% for the 9 months of 2011. This significant reduction of gross premiums hasn't considerably affected the financial stability of the insurer according to the high level of Cash and cash equivalents/ Total liabilities ratio. However, PRIVATE JSC "IC "BROKBUSINESS" has shown the trend of reducing its market share according to the results of three quarters of 2011.

3. Insurance benefits and reimbursements/ Gross premiums ratio has grown by 7,11 p.p. for the period and has reached 45,39% according to the results of the 9 months of 2011. Despite the rise of disbursement ratio and the decline of Insurance benefits and reimbursements slower rates than gross premiums have fallen, PRIVATE JSC "IC "BROKBUSINESS" has succeeded to increase its financial result from operating activities by 30,34%: it has constituted UAH 26,649 m according to the results of the 9 months of 2011. In plus, despite the reduction in gross premiums for the 9 months of 2011, net profit of PRIVATE JSC "IC "BROKBUSINESS" has constituted UAH 25,145 m, that is by 29,24% more than net profit for the same period of the previous year.

Analytical department of RA «Expert-Rating»