

ТОВ „Стандарт-Рейтинг” (Україна) 04071, Україна, м. Київ, вул. Введенська 4, тел. +38 /044/ 383-59-64 факс +38 /044/ 383-27-50  <a href="http://www.standard-rating.com/">http://www.standard-rating.com/</a>		Standard-Rating (Ukraine) LLC 04071, Ukraine, Kyiv, Vvedenska St. 4, tel. +38 /044/ 383-59-64 fax +38 /044/ 383-27-50  <a href="http://www.standard-rating.com/">http://www.standard-rating.com/</a>
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**PRESS-RELEASE**  
(Translation from Russian)

**The rating of JSC «Kiev insurance house» is updated**

September 13, 2012 the rating committee of RA «Standard-Rating» has decided to update the credit rating/ the financial stability rating of the insurer JSC «Kiev insurance house» at the level **uaA+** according to the national scale. The insurer with rating uaA+ is characterized by a high level of financial stability in comparison with other Ukrainian insurers. The stability level is susceptible to adverse commercial, financial and economic conditions. The rating of JSC «Kiev insurance house» was confirmed basing on the results analysis of the company's activity in the I half of 2012. (see table).

Table

**Key indicators of JSC IC «Kiev insurance house» (25201716)  
in the I half of 2012, th. UAH, p.p., %**

#	Indicators	I half of 2012 (30.06.2012)	I half of 2011 (30.06.2011)	Change	Growth rate, %
<b>1</b>	<b>Total gross premiums, including</b>	<b>10907,5</b>	<b>26940,8</b>	<b>-16033,3</b>	<b>-59,51%</b>
2	from insurers-individuals	2807,7	2866,8	-59,1	-2,06%
3	from reinsurers	519,8	624,6	-104,8	-16,78%
4	Proportion of individuals in gross premiums	25,74%	10,64%	15,10 p.p.	-
5	Proportion of reinsurers in gross premiums	4,77%	2,32%	2,45 p.p.	-
6	Insurance payments sent to reinsurers	2363,5	17308,9	-14945,4	-86,35%
7	Coefficient of dependence on the reinsurers	21,67%	64,25%	-42,58 p.p.	-
<b>8</b>	<b>Net premiums</b>	<b>8544</b>	<b>9631,9</b>	<b>-1087,9</b>	<b>-11,29%</b>
9	Premium earned	10623,8	6601,7	4022,1	60,93%
10	Financial result from operating activity	4680,5	4068	612,5	15,06%
11	ROS	42,91%	15,10%	27,81 p.p.	-
12	Insurance indemnities and compensations	1663	1152,2	510,8	44,33%
13	Insurance indemnities/Gross premiums ratio	15,25%	4,28%	10,97 p.p.	-
14	Shareholders' equity	40509	24962	15547	62,28%
15	Liabilities	24581	20469	4112	20,09%
<b>16</b>	<b>Shareholders' equity/Liabilities ratio</b>	<b>164,80%</b>	<b>121,95%</b>	<b>42,85 p.p.</b>	<b>-</b>
17	Liquid assets	32000	35219	-3219	-9,14%
<b>18</b>	<b>Liquid assets/Liabilities ratio</b>	<b>130,18%</b>	<b>172,06%</b>	<b>-41,9 p.p.</b>	<b>-</b>
19	Net profit	4552	3781	771	20,39%
20	ROE	11,24%	15,15%	-3,91 p.p.	-

1. Gross business of JSC «Kiev insurance house» has decreased by 59,51% down to UAH 10,906 mln in the I half of 2012. At the same time, net premiums have decreased by 11,29% in the same period. Thus, the company has reacted to the decrease of economic growth in Ukraine. Despite the reduction of the insurer's gross business, the company's activity has remained profitable. In the first 6 months of 2012 the financial result from operating activity of JSC «Kiev insurance house» has amounted to UAH 4,68 mln that is by 15,06% more, than in the same period of 2011. Net profit of the insurer has increased by 20,39% and has amounted to UAH 4,552 mln in the same period.

2. In the period from 30.06.2011 to 30.06.2012 the liquid assets have reduced by 9,14% and have reached UAH 32 mln, while the ratio of liquid assets to liabilities has decreased from 172,06 down to 130,18%. Despite the decrease in liquidity by 41,9 p.p., its level remains in the excessive zone and exceeds the average market indicators almost in 4 times. In the Agency's opinion, the insurer is able to conduct the more aggressive policy of managing assets, increasing its incomes that is particularly important against the background of trends related to the growth of rates on bank deposits.

3. In the period from 30.06.2011 to 30.06.2012 the shareholders' equity of the insurer has grown by 62,28% and has reached UAH 40,509 mln. Due to that, the ratio of shareholders' equity to liabilities has grown by 42,85 p.p. up to 164,8%. The capitalization level of JSC «Kiev insurance house», which may be characterized as excessively redundant, has positively impacted on the insurer's solvency that has been the main factor guaranteeing a high rating against the background of excessive liquidity.

Therefore, the excessively high capitalization, the redundant liquidity and the profitable activity of the insurer in the I half of 2012 have been the positive factors, which have maintained the high credit rating and the financial stability rating of JSC «Kiev insurance house».

*RA «Standard-Rating» (Ukraine)*