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PRESS-RELEASE

(Translation from Russian)

The rating of the Insurance company «NOVA» is confirmed at the level uaA+

September 07, 2012 the financial stability rating/the credit rating of Private JSC «Insurance company «NOVA» has been confirmed at the level **uaA+** according to the national scale. The insurer with rating uaA is characterized by a high financial stability in comparison with other Ukrainian insurers, the stability level is susceptible to adverse commercial, financial and economic conditions. Confirming the rating of the insurer, the Agency was based on the analysis results of the Company's indicators in the 1 half of 2012.

Table

Key performance indicators of Private JSC «IC «NOVA» (31241449) in the 1 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, %
1	Total gross premiums, including	25747,6	35139,5	-9391,9	-26,73%
2	from insurants-individuals	6893,3	11986,2	-5092,9	-42,49%
3	from reinsurers	3617,6	3184,4	433,2	13,60%
4	Proportion of individuals in gross premiums	26,77%	34,11%	-7,34 p.p.	-
5	Proportion of reinsurers in gross premiums	14,05%	9,06%	4,99 p.p.	-
6	Insurance payments sent to reinsurers	8620,1	8973,8	-353,7	-3,94%
7	Coefficient of dependence on the reinsurers	33,48%	25,54%	7,94 p.p.	-
8	Net premiums	17127,5	26165,7	-9038,2	-34,54%
9	Premium earned	25184,1	25877,2	-693,1	-2,68%
10	Financial result from operating activity	1252,5	4599,9	-3347,4	-72,77%
11	ROS	4,86%	13,09%	-8,23 p.p.	-
12	Insurance indemnities and compensations	12993,8	13273,7	-279,9	-2,11%
13	Insurance indemnities/Gross premiums ratio	50,47%	37,77%	12,69 p.p.	-
14	Shareholders' equity	38959,9	37807,1	1152,8	3,05%
15	Liabilities	36659,1	44683,3	-8024,2	-17,96%
16	Shareholders' equity/Liabilities ratio	106,28%	84,61%	21,66 p.p.	-
17	Liquid assets	23176,6	37447,9	-14271,3	-38,11%
18	Liquid assets/Liabilities ratio	63,22%	83,81%	-20,59 p.p.	-
19	Net profit	920,7	2720,2	-1799,5	-66,15%
20	ROE	2,36%	7,19%	-4,83 p.p.	-

1. In the 1 half of 2012 gross premiums have decreased by 26,73% compared to the same period of last year. IC «NOVA» has collected UAH 25,747 mln during the first 6 months of 2012. In the Agency's opinion, the insurer, actively involved into the segment of classical insurance, has faced with a systematic decline of activity in this sector. However, the decrease in gross business hasn't had a negative impact on the financial situation of the company. Thus, earned insurance premiums have decreased by only 2,68%, and liabilities have decreased by 17,96%, while shareholders' equity has grown by 3,05%. As a result, the ratio of shareholders' equity to liabilities has significantly grown and reached 106,28% on 30.06.2012.

2. In the first half of 2012 indemnities of IC «NOVA» have reduced by only 2,11%. Due to gross premiums have decreased the faster rates, than the indemnities, the payments level has grown by 12,69 p.p. that has resulted in the decrease of the financial result from operating activity by 72,77% in the 1 half of 2012. Despite such a decrease in the operating result, the activity of IC «NOVA» has remained profitable in the first half of 2012: the Company has finished the first 6 months of 2012 with net profit of UAH 920,7 th. The Agency expects that after the stabilization of dynamics of the Company's gross business, the payments level and the financial result from operating activity will return to the indicators of 2011.

3. In the work of the Company there has been a considerable event – the change of TOP-management. June 08, 2012 the shareholders' meeting has been held, where Victoria Voloshina has been appointed as the chairman of the board of IC «NOVA». Before her appointment Victoria Voloshina was a deputy chairman of Private JSC «Insurance company 611» and, according to the Agency, she has a sufficient work experience in insurance and in leadership positions. That's why the change of management won't be able to have a negative impact on the insurer's activity in the near future.

Therefore, despite the correction of gross business and some decrease of liquidity, the activity of IC «NOVA» has remained profitable in the 1 half of 2012. The Company has also managed to increase the ratio of shareholders' equity to liabilities, which increases the potential of its financial stability.

RA «Standard-Rating»