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## PRESS-RELEASE

### The financial stability rating of «Insurance company «Proxima», ALC is updated at the level uaBBB+

December 26, 2011 RA «Standard-Rating» (Ukraine) has updated the credit rating of IC «Proxima» at the level uaBBB+. The rating is updated on the basis of analyzing the statements of the insurer for the 9 months of 2011.

Table

#### Key performance indicators of «IC «Proxima», ALC for the 9 months of 2011

#	Indicators	9 months of 2011	9 months of 2010	Change	Growth rate, %
1	Total gross premiums, including	4209,2	2933	1276,2	43,51%
2	from insurants-individuals	51,8	2179,1	-2127,3	-97,62%
3	from reinsurers	68,8	234,6	-165,8	-70,67%
4	Proportion of individuals in gross premiums	1,23%	74,30%	-73,07 p.p.	-
5	Proportion of reinsurers in gross premiums	1,63%	8,00%	-6,36 p.p.	-
6	Insurance payments sent to reinsurers	2402,4	1264	1138,4	90,06%
7	Coefficient of dependence on the reinsurers	57,07%	43,10%	13,98 p.p.	-
8	Net premiums	1806,8	1669	137,8	8,26%
9	Premium earned	1683,7	2089,3	-405,6	-19,41%
10	Financial result from operating activity	298,7	-1695,8	1994,5	-117,61%
11	ROS	7,10%	-57,82%	64,91 p.p.	-
12	Insurance indemnities and compensations	633,3	528	105,3	19,94%
13	Loss ratio	15,05%	18,00%	-2,96 p.p.	-
14	Shareholders' equity	55874,4	46339,9	9534,5	20,58%
15	Liabilities	5256,6	28764,8	-23508,2	-81,73%
16	Shareholders' equity/Liabilities ratio	1062,94%	161,10%	901,84 p.p.	-
17	Liquid assets	1981,1	4156,8	-2175,7	-52,34%
18	Liquid assets/Liabilities ratio	37,69%	14,45%	23,24 p.p.	-
19	Net profit	-80,5	-1765,5	1685	-95,44%
20	ROE	-0,14%	-3,81%	3,67 p.p.	-

Confirming the rating, the Agency was based on the following conclusions:

1. Gross premiums of IC «Proxima» have grown by 43% up to UAH 4,2 mln for the 9 months of 2011. Such an insignificant volume of gross business has still attributed IC «Proxima» to the category of small companies. Nevertheless, the dynamic growth rate, which has exceeded the average of the market in several times, indicates the prospects of Company's development and vision of the insurer's management of how to increase business even in the period of a very slow growth in the market of classical insurance. It is important that the insurer in 2011 has almost completely reoriented from population to corporate sector, revenues from reinsurers have also declined by 71%.

2. The Agency positively estimates the fact, that IC «Proxima» has finished the 9 months of 2011 with financial result from operating activity of UAH 298,7 th. The Company has actually returned to profitable activity after the difficult 2010 year, when its operating loss for the 9 months of 2011 has amounted to UAH 1,695 mln. And although in reporting according to the results of 2011, the insurer has shown net loss of UAH 80,5 th., this loss can't be considered significant to the Company.

3. As well as a majority of small companies, IC «Proxima» has been well overcapitalized. On 01.10.2011 shareholders' equity of the insurer has amounted to UAH 55,8 mln that exceeds the insurer's liabilities more than in 10 times. The Liquid assets/Liabilities ratio has grown by 23,24 p.p. and as of 01.10.2011, according to the Agency's calculations, has amounted almost to 38%. Despite the significant capitalization of the Company, insufficient liquidity has still restrained the credit rating of the insurer; its level has been almost in twice lower, than the market average.