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PRESS-RELEASE

(Translation from Russian)

The rating of Private JSC «Ukrainian Security Insurance Company» has been updated

September 06, the rating committee of RA “Standard-Rating” has decided to update the credit rating/ the financial stability rating of the insurer/ of **Private JSC «Ukrainian Security Insurance Company»** 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 level of stability is susceptible to adverse commercial, financial and economic conditions. The rating of JSC «Insurance company «Ukrainian Security Insurance Company» (IC «USIC») has been updated on the basis of the results analysis of the Company’s activity in the 1 half of 2012 (see table).

Table

Key indicators of Private JSC “Ukrainian Security Insurance Company” 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	43736,4	39337,6	4398,8	11,18%
2	from insurers-individuals	17783,5	10041,4	7742,1	77,10%
3	from reinsurers	328,1	483,2	-155,1	-32,10%
4	Proportion of individuals in gross premiums	40,66%	25,53%	15,13 p.p.	-
5	Proportion of reinsurers in gross premiums	0,75%	1,23%	-0,48 p.p.	-
6	Insurance payments sent to reinsurers	27167,3	27825,4	-658,1	-2,37%
7	Coefficient of dependence on the reinsurers	62,12%	70,73%	-8,62 p.p.	-
8	Net premiums	16569,1	11512,2	5056,9	43,93%
9	Premium earned	15558,2	9394,9	6163,3	65,60%
10	Financial result from operating activity	3233,9	1090,6	2143,3	196,52%
11	ROS	7,39%	2,77%	4,62 p.p.	-
12	Insurance indemnities and compensations	5848,3	2624,7	3223,6	122,82%
13	Insurance indemnities/Gross premiums ratio	13,37%	6,67%	6,70 p.p.	-
14	Shareholders' equity	27405,6	27219,6	186	0,68%
15	Liabilities	25034,5	20679,9	4354,6	21,06%
16	Shareholders' equity/Liabilities ratio	109,47%	131,62%	-22,15 p.p.	-
17	Liquid assets	12841,8	10976,4	1865,4	16,99%
18	Liquid assets/Liabilities ratio	51,30%	53,08%	-1,78 p.p.	-
19	Net profit	134,4	136,1	-1,7	-1,25%
20	ROE	0,49%	0,50%	-0,01 p.p.	-

1. IC «USIC» has managed to significantly increase its gross business in the 1 half. Gross premiums of the insurer have increased by UAH 4,398 mln or by 11,18% in the first 6 months, compared to the same period of 2011. The proportion of individuals in gross premiums has grown up to 40,66%. The coefficient of dependence on the reinsurers has decreased down to 62,12%. Net premiums have reached UAH 16,569 mln, its growth rate has amounted to 43,93%. The Company

has continued to increase its presence in the Ukrainian market, at the same time its activity has remained profitable.

2. In the 1 half of 2012 IC «USIC» has paid UAH 5,848 mln, that is by UAH 3,224 mln or by 122,82% more, than in the same period of 2011. Respectively, the Insurance indemnities/Gross premiums ratio has increased from 6,67% up to 13,37%. In the Agency's opinion, the level of payments of IC «USIC» has remained low for the segment of classical insurance in Ukraine even with the growth of indemnities in 2,23 times. This trend has positively impacted the insurer's financial result from operating activity, which has amounted to UAH 3,234 mln in the 1 half of 2012 that is by 196,52% more, than in the 1 half of 2011.

3. Due to the increase in gross business, in the period from 30/06/2011 to 30/06/2012 the Company's liabilities have increased by 21% and have reached UAH 25,034 mln. At the same time, shareholders' equity of the insurer has grown by only 0,68% in the same period. As a result, the shareholders' equity/liabilities ratio of the insurer has decreased from 131,62% down to 109,47%, i.e. by 22,15 p.p. The Company has gradually passed from a very excessive level of capitalization to a moderate level, which is typical for the majority of companies, involved into the segment of classical insurance in Ukraine.

Therefore, according to the results of the 1 half of 2012 IC «USIC» has increased the gross premiums by 11,18%, has provided the increase in the financial result from operating activity by 196,52%, while having increased its indemnities up to UAH 5,848 mln. In the Agency's opinion, the financial position of the insurer has remained stable, and some reduction of the economic activity and the growth rates of recovery of the national economics have not affected the activity of IC «USIC».

RA «Standard-Rating» (Ukraine)