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PRESS-RELEASE
(Translation from Russian)

The rating of IC «BUSIN» is updated

September 19, 2012 the rating committee of RA «Standard-Rating» has decided to update the credit rating (the financial stability rating) of Private JSC «Insurance company «Busin» at the level **uaAA+** according to the national scale. The insurer with rating **uaAA+** is characterized by a very high financial stability, compared to other Ukrainian insurers. The stability level is susceptible to adverse commercial, financial and economic conditions. The rating of JSC IC «BUSIN» has been 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 «BUSIN» (19492371)
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, %
1	Total gross premiums, including	36113,2	34050,5	2062,7	6,06%
2	from insurants-individuals	908,9	629,4	279,5	44,41%
3	from reinsurers	14039,9	13599	440,9	3,24%
4	Proportion of individuals in gross premiums	2,52%	1,85%	0,67 p.p.	-
5	Proportion of reinsurers in gross premiums	38,88%	39,94%	-1,06 p.p.	-
6	Insurance payments sent to reinsurers	18820	26286,8	-7466,8	-28,41%
7	Coefficient of dependence on the reinsurers	52,11%	77,20%	-25,09 p.p.	-
8	Net premiums	17293,2	7763,7	9529,5	122,74%
9	Premium earned	14276,5	11931	2345,5	19,66%
10	Financial result from operating activity	-1277,3	7531,2	-8808,5	-
11	ROS	-3,54%	22,12%	-25,65 p.p.	-
12	Insurance indemnities and compensations	11927,7	1094,3	10833,4	989,98%
13	Insurance indemnities/Gross premiums ratio	33,03%	3,21%	29,81 p.p.	-
14	Shareholders' equity	45120,9	43582,1	1538,8	3,53%
15	Liabilities	48615,6	39328,8	9286,8	23,61%
16	Shareholders' equity/Liabilities ratio	92,81%	110,81%	-18,00 p.p.	-
17	Liquid assets	40927,6	34007,7	6919,9	20,35%
18	Liquid assets/Liabilities ratio	84,19%	86,47%	-2,28 p.p.	-
19	Net profit	-2379,1	7684,5	-10063,6	-
20	ROE	-5,27%	17,63%	-22,90 p.p.	-

1. The key trend of the second quarter of 2012 has been the restoring total business volumes by the company. According to the results of the 1 half of 2012 IC «Busin» has collected UAH 36,113 mln of gross premiums that is by 6,06% more, than in the 1 half of 2011. Let's remind that in the first quarter of 2012 gross business of the insurer has been by 15,04% less, than in the first quarter of 2011. Therefore, the company has not only recovered the volume of gross business, but also has achieved its growth by 6,06%, compared to the same period of 2011.

2. The increase in gross business has enabled the company to significantly reduce its unprofitable operation in the 1 half of 2012. Thus, if in the first quarter of 2012 the financial result from operating activities of IC «Busin» has amounted to -6,315 mln UAH, already in the first six months of 2012 it has amounted to -1,277

mln UAH. Net loss has also reduced from UAH 6,775 mln down to UAH 2,379 mln. The Agency reminds that a significant amount of loss has been obtained by the company after the insurance accident due to which there has been the growth of the volumes and level of indemnities. The Agency predicts that already in the third quarter IC «Busin» will return to the profitable activity.

3. In the period from 30.06.2011 to 30.06.2012 the liquid assets of the insurer have grown by 20,35% from UAH 34,007 mln up to UAH 40,927 mln. But due to the fact that liabilities of IC «Busin» have grown faster than assets, the ratio of liquid assets to liabilities has decreased by 2,28 p.p. from 86,47% down to 84,19%. Nevertheless, the insurer's liquidity has remained at a very high level, compared to the average of this indicator on the system. According to the Agency, at the beginning of the third quarter the surplus of liquidity of IC «Busin» has been estimated at about 10,0 p.p., compared to the average on the market.

4. Due to the unprofitable activity in the first quarter of 2012, the ratio of shareholders' equity to liabilities has decreased by 18,0 p.p. and has amounted to 92,81%. Such a decrease isn't critical, because IC «Busin» has traditionally maintained a high level of capitalization and, even despite the decrease in shareholders' equity, the insurer's capitalization remains at a high level.

Therefore, IC «Busin» has renewed its profitable operation in the second quarter of 2012, by having reduced the loss, obtained during the first three months of activity down to UAH 2,379 mln. IC «Busin» has also remained the well capitalized company with high liquidity, which guarantees a very high level of solvency and financial stability of the insurer.

RA «Standard-Rating» (Ukraine)