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PRESS-RELEASE

The financial stability rating of JSC «Insurance group «UBi» is updated at the level uaA+

March 28, 2012 RA «Standard-Rating» (Ukraine) has updated the credit rating of Private Joint-Stock Company «Insurance group «UBi» at the level uaA+. 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 has been updated on the basis of the analysis of the insurer's statements for the 12 months of 2011.

Table

Key performance indicators of Private JSC «Insurance group «UBi» for 2010-2011

#	Indicators	2011 (31.12.2011)	2010 (31.12.2010)	Change	Growth rate, %
1	Total gross premiums, including	21249,4	18732,3	2517,1	13,44%
2	from insurants-individuals	3872,3	2022,6	1849,7	91,45%
3	from reinsurers	189,4	13	176,4	1356,92%
4	Proportion of individuals in gross premiums	18,22%	10,80%	7,43 p.p.	-
5	Proportion of reinsurers in gross premiums	0,89%	0,07%	0,82 p.p.	-
6	Insurance payments sent to reinsurers	12240,5	11905	335,5	2,82%
7	Coefficient of dependence on the reinsurers	57,60%	63,55%	-5,95 p.p.	-
8	Net premiums	9008,9	6827,3	2181,6	31,95%
9	Premium earned	6377,9	4786	1591,9	33,26%
10	Financial result from operating activity	1146	652	494	75,77%
11	ROS	5,39%	3,48%	1,91 p.p.	-
12	Insurance indemnities and compensations	769,5	390,5	379	97,06%
13	Loss ratio	3,62%	2,08%	1,54 p.p.	-
14	Shareholders' equity	34298	34268	30	0,09%
15	Liabilities	14195	6591	7604	115,37%
16	Shareholders' equity/Liabilities ratio	241,62%	519,92%	-278,30 p.p.	-
17	Liquid assets	10593	4433	6160	138,96%
18	Liquid assets/Liabilities ratio	74,62%	67,26%	7,37 p.p.	-
19	Net profit	30	646	-616	-95,36%
20	ROE	0,09%	1,89%	-1,80 p.p.	-

Updating the rating at the level **uaA+**, the Agency was guided by the following conclusions:

1. Key indicators of the insurer's business activity have demonstrated an obvious tendency of growth: in 2011 gross premiums have increased by UAH 2,5 mln or by 13,44% in comparison with 2010. At the same time, a proportion of individuals in gross premiums has grown up to 18,22%. Net premiums have grown by 32%, premiums earned – by 33,26%. The increase in gross business has provided the growth of the insurer's market share, as well as a significant growth of indicators from operating activity. Thus, in 2011 the financial result from operating activity has amounted to UAH 1,146 mln, and in 2010 – by 75% less. JSC «IG «UBi» has finished the 2011 with net profit of UAH 30 th.

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2. The Company has managed to keep the loss ratio at the acceptable level during the 2011. According to the results of 2011 the indemnities have grown by 97,06% in comparison with 2010 and have amounted to UAH 769,5 th. It's important to note that according to the results of 2011 the loss ratio has grown just by 1,54 p.p. and has amounted to 3,62% that is in several times lower, than in large retail insurance companies. In the Agency's opinion, such a small loss ratio can be explained by the insurer's involvement into the corporate segment of the insurance market, as well as by the fact that business of JSC «IG «UBi» has gained momentum not so long ago.

3. As of 31.12.2011 shareholders' equity of the insurer has reached UAH 34,3 mln, and the shareholders' equity/liabilities ratio has amounted to 241,62%, i.e. the Company's equity has exceeded its liabilities in 2,5 times. Excess capitalization has been amplified by good liquidity. In 2011 liquid assets have grown by 139%, and the liquid assets/liabilities ratio has grown by 7,37 p.p. or up to 74,62%, that corresponds to the average market indicator.

RA «Standard-Rating» (Ukraine)