

Report on the rating research

Customer:	Private Insurance Company JUPITER LIFE INSURANCE VIENNA INSURANCE GROUP
Incorporation date:	30.06.1999
USREOU code:	30434963
Head office location (city, mail index, street):	83-A, 10-12, Zlatoustovskaya str., Kiev, 01135
The name of the auditor company confirming the accounts in the last fiscal year:	Audit firm "Original", PricewaterhouseCoopers
Key account bank:	PJSC Raiffeisen Bank Aval
Top executive, title:	Ruslan Vasyutin, Chairman of Board of Management
Number of regular personnel at the time of questionnaire filling:	23
Telephone/fax:	+38 /044/ 482-08-10
Web-site:	www.jupiter.kiev.ua
Rating type:	Insurer financial strength / credit rating (life insurance)
Rating revision period:	Quarterly
Date of rating:	10.02.2012
Rating by RA 'Standard Rating' (Ukraine) according to the Ukrainian national scale (outlook):	uaAA+ (stable) The insurer with the rating uaAA+ has very high financial strength as compared with other Ukrainian insurers. The level of financial strength is sensitive to the influence of adverse commercial, financial and economic conditions.
Correlation of the national scales with the international scale in the countries of operations:	
The correlation of Ukrainian scale ratings and the international scale ratings reflecting the rating in the countries of Agency operations is set by GPRC "Standard-Rating" Rating Committee .	
Information use restrictions:	
The report on rating research has no restrictions to distribution. When using materials contained in the report, the reference on RA "Standard Rating" (Ukraine) is mandatory. The Agency considers true all information contained in the report on rating research.	
Ratings use limitations:	
All the ratings by the Agency are not recommendations for purchase of securities, use of services or taking any economic decisions. The ratings irrespectively of the scale have to be perceived solely as opinions of Agency analysts on rating object and subject.	

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1. List of licenses and permits in possession of the Company

1. License of series AB no. 499990 of 14.06.2010 for voluntary life insurance activity, issued by the State Commission for Regulation of Financial Services Markets of Ukraine, unlimited validity since 29.12.2007.

(A) Company history and general description of the insurer

The Private Joint Stock Company IC JUPITER VIENNA INSURANCE GROUP was founded in 1999 and is one of the first operators of the Ukrainian market of life insurance. The Company is among the ten leaders of the market of life insurance of Ukraine on the key financial indicators. Also the Company is frequent leader in ratings of reliability published by the Ukrainian mass media and prepared based on the public data.

Presently VIENNA INSURANCE GROUP AG owning more than 97 % of company shares is the major shareholder of IC JUPITER VIENNA INSURANCE GROUP.

In 2004 IC JUPITER VIENNA INSURANCE GROUP became part of Vienna Insurance Group - one of the largest groups actively working in the insurance market of Central and Eastern Europe. According to the Agency, the arrival of the foreign strategist is a key event for Company development over the last 10 years of work.

In 2007 a complex re-structuring took place in IC JUPITER VIENNA INSURANCE GROUP, followed by expansion of the range of channels of sales and growth of annual volume of premiums on 207 %. In 2008-2009 the Company has successfully overcome the crisis phenomena, and in 2010 the first payouts of endowments under long-term saving programs on risk "Dozhitiye" have begun.

The year 2011 became for the Company the year of strengthening of insurer positions in the Ukrainian market. The company entered the number of ten leaders of the market and showed growth of premiums on 180 %, growth of assets on 161 %. In 2011 IC Jupiter VIENNA INSURANCE GROUP has successfully passed audit by the international auditor company PricewaterhouseCoopers.

The analysis of 9 months of 2011 confirms the conclusion by RA “Standard-rating” on the dynamic trend of insurer business development in 2011. So, following 9 m of 2011 the insurance premiums grew on 80 % in comparison with the similar period of last year. Shareholders’ equity of the Company has grown on 67 %, whilst liabilities only on 56 %. Another fact proving to the positive trend is that for 9 months of 2011 the insurer managed to recover profitability of the work (see table 1).

Table 1

**Key performance indicators of PrJSC IC JUPITER VIENNA
INSURANCE GROUP, thousand UAH, %**

#	Indicators	9 months of 2011	9 months of 2010	Change	Growth rate, %
1	Insurance payments (premiums, fees)	18105	10077	8028	79,67%
2	Indemnities and compensations	508	290,2	217,8	75,05%
3	Payout ratio	2,81%	2,88%	-0,07p.p.	-
4	Shareholder equity	37149	22208,3	14940,7	67,28%
5	Liabilities	44888	28794,8	16093,2	55,89%
6	Equity/Liabilities ratio	82,76%	77,13%	5,63p.p.	-
7	Net profit	830	-2399,9	3229,9	134,58%
8	ROE	2,23%	-10,81%	13,04p.p.	-
9	ROA	1,01%	-4,71%	5,72p.p.	-
10	Interest bearing assets /liabilities	119%	107%	12,11 p.p.	-
11	Equity/assets	45%	44%	1,00 p.p.	-

The Agency also draws attention to that during the period from 01.10.2010 to 01.10.2011 the level of coverage by interest bearing assets has grown from 107 % to 119 %, or on 12,11 percentage points. Traditionally high degree of coverage by interest bearing assets of insurer liabilities is another positive factor demonstrating the reliability of the Company and of its solvency.

(B) Business activity and competition

PrJSC IC JUPITER VIENNA INSURANCE GROUP works in the segment of individual life insurance. The insurer renders services exclusively on life insurance (let it be reminded that the Ukrainian legislation does not allow combining the business of life insurance with general insurance business).

By estimates of RA “Standard-rating”, in 2010 the Company occupied: 1,75 % of the market of life insurance on volume of insurance payments, 9,02 % of the market – on the assets and 1,3 % - on reserves. The results of 9 months of 2011 prove to that the Company increased its market share on the volume of collected premiums by 0,25 percentage points or 2%. Despite rather small market share PrJSC IC JUPITER VIENNA INSURANCE GROUP managed to convert its business into resource generating one. At 2% share of total premiums, the Company occupies about 10 % of the market on assets.

Table 2

**Business performance indicators of PrJSC IC JUPITER VIENNA
INSURANCE GROUP, UAH th.**

#	Indicators	9 months of 2011	9 months of 2010	Change	Growth rate, %
1	Total gross premium and fees	18105	10077	8028	79,67%
2	Share of gross-premiums belonging to reinsurers	180	128,3	51,7	40,30%
3	incl. non-resident reinsurers	180	128,3	51,7	40,30%
4	Share of reinsurers in gross premiums	0,99%	1,27%	-0,28p.p.	-
5	Income from sales of services on life insurance	7697	12102	-4405	-36,40%
8	Net premiums	17925	9948,7	7976,30	80,17%
9	Financial income	3237	2001,6	1235,4	61,72%
10	Financial result from operations	2034	-3741,6	5775,6	-154,36%
11	ROS	11,23%	-37,13%	48,36p.p.	-
12	Acquisition costs	1284	4412,7	-3128,7%	-70,90%
13	Acquisition costs/gross premiums ratio	7,09%	43,79%	-36,70p.p.	-

The gain of market share in 2011 was reached at the expense of that the growth of gross premiums of the Company exceeded the growth rate on the market. So, if for 9 months of 2011 the growth of gross premiums of the Company has constituted 80%, gross premiums of the entire life insurance market have grown on 50 %. The higher growth of Company business compared with market growth rate clearly shows in practice the competitive advantages of the insurer over the companies which lose market share. The Agency ranks among main competitors of the insurer: PrJSC Renaissance Life, Metlife Alico, PrJSC GRAVE UKRAINE Life insurance", IC TAS, PrJSC IC UNICA Life, PrJSC IC PZU Ukraine life insurance, PrJSC Fidem Life, PJSC IC LEMME-VITE, IC Delta life, PrJSC IC KD Life.

(C) Business Diversification

In view of that the Company specializes on life insurance the specific diversification of business is limited due to reasons beyond control of the Company. Business of PrSC IC JUPITER VIENNA INSURANCE GROUP is dependent on life insurance popularity in Ukraine. In the few last years this market, despite the crisis phenomena in the national economy, showed good rates of gain of annual volume of insurance premiums. However these volumes of premiums still were approximately in 15 times lower, than the total premiums collected by the companies on the general types of insurance.

Connection of sales system to network marketing also remained a specificity of the Ukrainian market of life insurance. MLM model to some extent was reasonable at the initial stage of development; however it put market participants into dependence on several brokers. Creation and development of own agency network was impossible because of small volumes of insurance premiums. The given problem was general for the entire market and it explains, why following the results of 9 months of 2011 broker sales occupied 76% in total sales structure. The company management sees the possibility to reduce dependence on the broker channel through increase in the number of intermediaries involved in sales. According to the Agency, such strategy is optimal at the given stage of PrJSC IC JUPITER VIENNA INSURANCE GROUP development (see table 3).

Table 3

ТОП 3 largest channels of sales of PrJSC IC JUPITER VIENNA INSURANCE GROUP, in descending order, UAH thousand, %

#	Indicators	9 months of 2011		9 months of 2010		Change of structure, p.p.	Growth rate, %
		UAH th.	%	UAH th.	%		
1	Insurance partners – brokers	13786	76,14%	9888	98,12%	-21,98p.p.	39,42%
2	Banking insurance	4075	22,51%	32	0,32%	22,19p.p.	12634,38%
3	Other sales channels	244	1,35%	157	1,56%	-0,21p.p.	55,41%
4	In total:	18105	100,0%	10077	100,0%	-	79,67%

Also the Agency notes that in 2011 the Company more actively developed the banking channel of sales. This is a successful decision on diversification of model of sales. Following the 9 months of 2011 the banking insurance has already made up 22,5 % of insurance premiums volume. According to RA Standard-Rating, it makes sense for PrJSC IC JUPITER VIENNA INSURANCE GROUP to pay more attention to the development of direct sales, especially in large cities, where high concentration of population is present and where level of incomes is higher than on the average across Ukraine.

Table 4

Data on insurance premiums from large insurers, UAH thousands, p.p. %

#	Indicators	9 months of 2011		9 months of 2010		Change of structure, p.p.	Growth rate, %
		UAH th.	%	UAH th.	%		
1	From 1 (one) largest insurer	170,6	11,46%	99,9	10,89%	0,56p.p.	70,77%
2	From 3 (three) largest insurers	310,4	20,84%	186,9	20,38%	0,47p.p.	66,08%
3	From 5 (five) largest insurers	414,1	27,81%	248,1	27,05%	0,76p.p.	66,91%
4	From 10 (ten) largest insurers	594	39,89%	382,3	41,68%	-1,79p.p.	55,38%
5	In total:	1489,1	100,00%	917,2	100,00%	-	62,35%

The analysis of client diversification of Company system of sales has shown its satisfactory level. In the structure of premiums of the Company there are no clients corresponding to more than 1/3 of gross premiums. The Agency has not revealed any dependence of the Company on a group of clients. In the process of the growth of annual volume of collection of gross premiums the client diversification will improve.

(D) Quality of assets

In PrJSC IC JUPITER VIENNA INSURANCE GROUP there is a developed and approved Investment Strategy which includes the description of Company funds placement strategy, minimal and maximal limits of investment into each category of assets, requirements to the “quality” of assets. The given Investment Strategy is agreed with the Department of Assets Management of Vienna Insurance Group in Vienna.

Also every quarter the Company takes part in Investment Committees attended by all VIG companies in Ukraine and representatives of the Department of Assets Management of Vienna Insurance Group. Within the limits of Investment Committee the Company gets recommendations on placement of assets, portfolio structure, actual information on banking companies and on their current financial condition.

When managing the assets PrJSC IC JUPITER VIENNA INSURANCE GROUP adheres to principles of profitability, least risk and reasonable diversification. Also it should be noted that realization of each investment by the Company is agreed with the Representative of shareholders in Ukraine. The agency draws attention to that PrJSC IC JUPITER VIENNA INSURANCE GROUP actually has three-level system of assets management monitoring:

- Company level;
- Level of head company Vienna Insurance Group;
- Level of joint Investment Committee of VIG companies in Ukraine.

The Agency estimates the quality of PRJSC IC JUPITER VIENNA INSURANCE GROUP assets as very high (tab. 5).

Table 5

The structure of earning assets of PrJSC IC JUPITER VIENNA INSURANCE GROUP

#	Indicators	9 months of 2011		9 months of 2010		Change of structure, p.p.	Growth rate, %
		UAH th.	%	UAH th.	%		
1	Balances on current accounts	2695	3,75%	3704,5	7,79%	-4,03p.p.	-27,25%
2	Bank deposits	50656	70,53%	25986,1	54,62%	15,91p.p.	94,93%
3	Bank metals	1629	2,27%	0	0,00%	2,27p.p.	-
4	Real estate	16204	22,56%	16709,8	35,12%	-12,56p.p.	-3,03%
5	Shares	408	0,57%	0	0,00%	0,57p.p.	-
6	Bonds	38	0,05%	579,4	1,22%	-1,16p.p.	-93,44%
7	Mortgage certificates	0	0,00%	0	0,00%	0,00p.p.	-
8	State securities	0	0,00%	490,9	1,03%	-1,03p.p.	-100,00%
9	Claims to insured	183	0,25%	96,2	0,20%	0,05p.p.	90,23%
10	Cash in vault	0	0,00%	0	0,00%	0,00p.p.	-
11	Other earning assets	8	0,01%	7,5	0,02%	0,00p.p.	6,67%
12	Total earning assets :	71821	100,00%	47574,4	100,00%	-	50,97%
13	Total interest bearing assets	53389	74,34%	30760,9	64,66%	9,68p.p.	73,56%
14	Interest bearing assets with rating higher than uaBBB-	49638,8	69,11%	30660,7	64,45%	4,67p.p.	61,90%
15	Share of investment grade rating assets in the interest bearing assets	92,98%	-	99,67%	-	-	-
16	Financial incomes	3237	-	2001,6	-	-	61,72%
17	Earning assets efficiency	4,51%	-	4,21%	-	-	-

(E) Reinsurance cover quality

The Company works with the reinsurer “VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe”, created within VIG that allows the Company working on more advantageous conditions and to control easily the cash flows (table 6).

Table 6

Structure of reinsurance cover of PrJSC IC JUPITER VIENNA INSURANCE GROUP

#	Indicators	9 months of 2011		9 months of 2010		Change of structure, p.p.	Growth rate, %
		UAH th.	%	UAH th.	%		
1	“VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe”	180	100,00%	128,3	100,00%	0,00p.p.	0,30%
2	Other reinsurers	0	0,00%	0	0,00%	0,00p.p.	-
3	Total insurance premiums ceded to reinsurers	180	100,00%	128,3	100,00%	0,00p.p.	40,30%
4	Insurance premiums ceded to reinsurers with rating above uaBBB-	180	100,00%	128,3	100,00%	0,00p.p.	40,30%
5	Coverage share at the reinsurers with investment grade rating	100,00%	-	100,00%	-	-	-

On the one hand, presence in the portfolio of PrJSC IC JUPITER VIENNA INSURANCE GROUP of only one reinsurer reduces portfolio diversification of reinsurance coverage of risks, on the other hand it should be considered that PrJSC IC JUPITER VIENNA INSURANCE GROUP is a part of the international insurance group within which frameworks reinsurance divisions have been created for reinsurance protection ensuring. Considering that Vienna Insurance Group has high ratings by other rating agencies such policy of PrJSC IC JUPITER VIENNA INSURANCE GROUP can be assessed as positive.

(F) Adequacy of reserves creation

The Policy of reserves creation is guided by the internal Regulation on reserves creation, which is approved by the State Commission for Regulation of Financial Services Markets of Ukraine that proves that company reserves are created in compliance with regulatory requirements. In April, 2011, following new requirements of the regulator, the Company has additionally formed the reserve of unearned premiums reserve. The method of reserves calculation, principles of their creation, and the correctness of calculation of reserves for already 4 years are confirmed by the independent auditors from Pricewaterhouse Coopers.

The Company meets in full the obligations to clients when insured event occurs. A specialist with medical background works in the Company and is involved in consideration of each claim for insured event and collection of all necessary documents for realization of indemnities payout. Since 2009 the Company began to pay out endowments. For the 9 months of 2011 the Company paid out the total UAH 366,7 thousand of endowments (72 % of the total indemnities paid by the Company).

5 largest indemnities paid out by the Company for the last 12 months:

- 1) Indemnity on the risk “Survival until the end of the contract” in the amount of UAH 67677,42,
- 2) Indemnity on the risk “Survival until the end of the contract” in the amount of UAH 64919,58,
- 3) Indemnity on the risk “Survival until the end of the contract” in the amount of UAH 44152,01,
- 4) Indemnity on risk “Death resulting from disease” in the amount of UAH 43111,98,
- 5) Indemnity on the risk “Survival until the end of the contract” in the amount of UAH 40042,58.

Currently the interest bearing (liquid) assets do almost in 11 times cover the volume of indemnities payouts of the insurer (see table 7). Let it be reminded that as of 01.10.2011 the interest bearing assets of the insurer on 119 % covered the liabilities of the Company (see table 1).

Table 7

**Payouts and coverage of payouts by interest earning assets of
PRJSC IC JUPITER VIENNA INSURANCE GROUP, thousand UAH., %**

#	Indicators	9 m 2011	9 m 2010	Change	Growth rate, %
1	Indemnities and compensations paid out	508	290,2	217,8	75,05%
2	Gross premiums (premiums and fees)	18105	10077	8028	79,67%
3	Payout ratio	2,81%	2,88%	-0,07p.p.	-
4	Total interest earning assets	53389	30760,9	22628,1	73,56%
5	IEA/payouts ratio	10509,65%	10599,90%	-90,25p.p.	-

(G) Capital adequacy and solvency margin

As of 01.10.2011 Company authorized capital stock constituted 114,54 % from shareholders equity. Such situation was due to that the Company had losses of previous years, caused among others by taking on balance of the accumulated losses of PrJSC IC VAB Life. For a company on life insurance it is a normal picture, because the long cycle of development of the company in this industry is inevitably reflected on its balance indicators (see table 8). Let it be reminded that following the 9 months of 2011 the Company has UAH 830 thousand of net profit, i.e. in 2011 the Company recovered the profitable work (see table 1).

Table 8

**Structure of shareholders equity of
PrJSC IC JUPITER VIENNA INSURANCE GROUP, thousand UAH., %**

#	Indicators	9 months of 2011		9 months of 2010		Change of structure, p.p.	Growth rate, %
		UAH th.	%	UAH th.	%		
1	Authorized capital	42550	114,54%	21049,8	94,78%	19,76p.p.	102,14%
2	Additional paid-in capital	12786	34,42%	12779,2	57,54%	-23,12p.p.	0,05%
3	Other additional capital	0	0,00%	0	0,00%	0,00p.p.	-
4	Reserve capital	83	0,22%	83,1	0,37%	-0,15p.p.	-0,12%
5	Retained profit	-18270	-49,18%	-11703,8	-52,70%	3,52p.p.	56,10%
6	Unpaid capital	0	0,00%	0	0,00%	0,00p.p.	-
7	Disposed capital	0	0,00%	0	0,00%	0,00p.p.	-
8	Shareholder equity, in total	37149	100,00%	22208,3	100,00%	-	67,28%

According to the decision of Company shareholders meeting of 24.11.2011 the authorized capital of the Company has to be increased by 1 000 008,00 UAH; after realization of this increase the amount of authorized capital stock of the Company will constitute UAH 33 550 597,35. However for the development of the Company and its solvency the issue of shareholders equity replenishment is not a priority one. As of 01.10.2011 the equity/assets ratio of the Company constituted 45 % (see table 1), i.e. the capital almost completely covered the liabilities, that meaning that the Company was already overcapitalized.

(H) Support by shareholders

Throughout the last three years the share of Vienna Insurance Group in PrJSC IC JUPITER VIENNA INSURANCE GROUP increased gradually. The structure of Company owners for the last time changed in June, 2011. Change of Company owners structure happened because of the procedure of PrJSC IC VAB Life takeover.

At the moment of rating report preparation for publication the share of Vienna Insurance Group in the Company constituted already 97,797 %. I.e. PrJSC IC JUPITER VIENNA INSURANCE GROUP was completely under the control of Vienna Insurance Group. Availability of one strategic shareholder with high credit ratings and leader positions in the insurance markets of the countries of Central and Eastern Europe is the factor, making a determining impact on the rating of financial soundness of PRJSC IC JUPITER VIENNA INSURANCE GROUP (see table 9).

Table 9

Dynamics of growth of Vienna Insurance Group share in the authorized capital stock of PrJSC IC JUPITER VIENNA INSURANCE GROUP

Shareholder name	Share in the authorized capital			
	01.02.2012	01.01.2011	01.01.2010	01.01.2009
VIENNA INSURANCE GROUP AG, Austria	97,7970%	95,55%	73,01%	73,01%

The research of the data on the work of Vienna Insurance Group for the 9 months of 2011 has shown that this international insurance group is able to render PRJSC IC JUPITER VIENNA INSURANCE GROUP high level of external support (see table 10).

Table 10

**KPI of Vienna Insurance Group
for 9 months of 2011 (Euro million, %)**

#	Indicators	9 months of 2011 (30.09.2011)	9 months of 2010 (30.09.2010)	Change	Growth rate, %
1	Total assets	39962,49	38998,97	963,519	2,47%
2	Cash and cash equivalents	1111,761	420,777	690,984	164,22%
3	Total investments	27814,55	27675,73	138,819	0,50%
4	Total shareholders' equity	5053,645	4917,765	135,88	2,76%
5	Total underwriting provisions	24585,25	24434,01	151,238	0,62%
6	Gross written premiums	6802,13	6538,344	263,786	4,03%
7	Net earned premiums	6076,969	5919,391	157,578	2,66%
8	Profit before taxes	414,099	377,746	36,353	9,62%
9	Profit for the period	336,378	310,27	26,108	8,41%
10	EPS	2,95	2,72	0,23	8,46%

Source: Interim report 1st–3rd quarter 2011 VIG p.10;

As of 30.09.2011 Group assets constituted Euro 39,962 billion, the capital stock exceeded Euro 5 billion. Cash and cash equivalents compared to 30.09.2010 grew on 164,22 % and on 30.09.2011 constituted Euro 1,111 billion. The group was well capitalized and redundantly secured with liquidity, as proved also by high ratings from other agencies.

Also RA Standard-Rating draws attention to good dynamics of Group business growth. So, following the 9 months of 2011 the total underwritten gross premiums exceeded Euro 6,8 billion and grew in comparison with the similar period of the last year on 4,03 %, net earned premiums increased by 2,66 %, profit - by 8,41 %.

Despite adverse environment in the countries of VIG operations in Central and Eastern Europe, including in connection with decrease of exchange rates of their domestic currencies to Euro, the Group showed good dynamics of growth. It has enough resources to support the business on life insurance in Ukraine, if such support will be needed.

Preliminary results of 2011 have also shown positive tendencies in VIG work. The total amount of underwritten business of the Group in 2011 exceeded Euro 9 billion and has grown in comparison with 2010 on 3,4 %. The annual profit has reached a historical record Euro 0,56 billion. VIG continued an active expansion on the insurance markets of CEE countries. In 2011 the Group has strengthened its positions in Albania and Poland, has entered the market of Bosnia and Herzegovina.

According to the Agency, exactly the availability of high level of external support of the insurer by Vienna Insurance Group makes its programs on life insurance very attractive to insured. Long-term investments of insurers are already secured not only by the Ukrainian insurer being in a good financial condition, but also by the international dynamically developing insurance group.

(I) Other factors influencing the rating

Estimating the work of the Company and the risks connected with business processes in which it is involved, RA Standard-Rating focuses attention on the dynamics of the number of employees of the Company. So, for the last 12 months the number of regular employees of the Company grew from 16 to 23, number of agents – from 43 to 57 persons. According to the Agency, such quantity of personnel is sufficient to efficiently perform the activities. The growth of the number of employees and agents reflects the growth rate of annual payments.

Table 11

Structure of personnel of the Insurer

#	Indicators	9 months of 2011		9 months of 2010		Change of structure	Growth rate, %
		UAH th.	%	UAH th.	%		
1	Number of staff with experience under 3 years	13	56,52%	8	50,00%	6,52p.p.	62,50%
2	Number of staff with experience above 3 years	10	43,48%	8	50,00%	-6,52p.p.	25,00%
3	Total number of staff	23	100,00%	16	100,00%	0,00p.p.	43,75%
4	Number of non-staff agents	57	-	43	-	-	-

The Agency also notes high level of professionalism and available considerable experience of administering work of Company management

Ruslan Vasyutin, Cand. Sc., Chairman of Board.

Ruslan Vasyutin holds the position of the Chairman of Board of PrJSC IC JUPITER VIENNA INSURANCE GROUP since 2007. He has 12 years of successful experience in insurance area, from that as a part of Company Board - more than 5 years, is candidate of psychological sciences, Corresponding Member of the International Academy of Acmeological Sciences. Main achievements in the position of top-manager during insurance company management:

- active integration of the company into Vienna Insurance Group;
- dynamic growth of insurance premiums (from UAH 3 million to 26 million);
- company entrance into the top 10 of the market;
- introduction of new programs of life insurance;
- achievement of high level of Company solvency;
- attraction and development of powerful sales partners;
- successful merge of PrJSC IC VAB Life;
- successful introduction of unique technologies of sales stimulation and partner service;
- optimization of business processes, of organizational development of the Company and the personnel.

Irina Bordyug, First Deputy Chairwoman of Board.

Irina Bordyug became the Member of Board of PrJSC IC JUPITER VIENNA INSURANCE GROUP in 2007. She supervises successfully the financial activity of the Company. She has experience of work on administering positions in insurance area of more than 11 years, 18 years of work on administering positions in the financial area. As main business achievements could be named:

- provision of Company assets growth from UAH 31,0 million to 82,0 million;
- complete conformity of accounting standards to the legislation, confirmed by annual conclusions of the national and international auditor companies;
- introduction of the International financial reporting standards in the Company;
- confirmation of all financial indicators of the Company following the findings of the international annual audit;
- introduction and improvement of administrative reporting in the Company;
- successful passage of audits by controlling authorities;
- conservative management of Company assets with account for principles of profitability, diversification and least risk;
- reception and increase of the profit of the Company;
- successful carrying out of the procedure of PrJSC IC VAB Life takeover, confirmed by the corresponding audits of state structures.

When deciding to work with PrJSC IC Jupiter VIENNA INSURANCE GROUP insurers also should consider that:

- The last audit by tax authorities has taken place in September, 2007. The certificate of tax authorities did not contain any remarks.
- The date of last inspection by insurance regulator was on 11.11.2011. The obtained certificate of the last inspection by regulator did not contain any remarks.

2. Summary of rating components

The following factors influenced the rating of PrJSC IC JUPITER VIENNA INSURANCE GROUP:

1. The company is under complete control of Vienna Insurance Group (Austria) - the international insurance group which continues to strengthen its positions in Central and Eastern Europe. In 2011 VIG has shown growth of the total underwritten business on 3,4 %, the Group net profit has reached a historical maximum of Euro 0,56 billion, and the total volume of business exceeded Euro 9 billion. Vienna Insurance Group as the major shareholder provided the Company not only with financial support; the support was provided also at reinsurance and at management levels.

2. For 9 months of 2011 the gross premiums of the Company grew on 80 % and have reached UAH 18,1 million. Rate of growth of gross premiums exceeded the average market indicator, thus the market share of the Company on the volume of gross premiums grew to approximately 2 %. The leading growth rate of gross premiums of the Company compared to average market ones according to the Agency is connected with increased competitiveness of Company products. New programs of insurance combined with the support by Vienna Insurance Group have been ever more often considered by potential insurers as considerable advantages of the Company over competitors.

3. In IC JUPITER VIENNA INSURANCE GROUP some dependence on the broker channel of sales was observed, the said channel corresponded to 76,14 % of sales after the 9 months of 2011. Such problem is characteristic for all significant participants of life insurance market in Ukraine. The insurer managed to lower dependence on the broker channel of sales in 2011 almost on a quarter. Also for 9 months of 2011 the number of own non-staff agents of the Company has grown by 33 %.

4. Quality of assets of the insurer is estimated by the Agency as unprecedentedly high. As of 30.09.2011, interest bearing assets covered liabilities of the insurer on 119 %, thus 93 % of interest bearing assets have been in form of investment grade assets. Bank deposits (70,53 %) and real estate (22,56 %) are the main items of earning assets of the insurer. The management of earning assets portfolio is performed in the Company upon a collegial basis and is supervised by Vienna Insurance Group.

5. According to the Agency, the reserves of the insurer have been created adequately. The method of reserves calculation, principles of their creation and correctness of calculation of reserves during 4 years have been proved by independent auditors from PricewaterhouseCoopers. The capital of the insurer also is created adequately, the Company remains overcapitalized. In case of need the majority shareholder of the Company can provide support to the insurer.

Rating scale for estimation of insurer financial strength

National rating scale adapted by RA 'Standard Rating' (Ukraine) for the assessment of financial strength of the insurers

Rating	Contents of insurer financial strength according to the national scale
uaAAA	The insurer with the rating uaAAA is characterized by an outstanding high financial strength in comparison with other Ukrainian insurers.
uaAA	The insurer with the rating uaAA is characterized by very high financial strength in comparison with other Ukrainian insurers.
uaA	The insurer with the rating uaA is characterized by high financial strength in comparison with other Ukrainian insurers. The stability level is sensitive to the influence of adverse commercial, financial and economic conditions.
uaBBB	The insurer with the rating uaBBB is characterized by sufficient financial strength in comparison with other Ukrainian insurers. The stability level depends upon influence of adverse commercial, financial and economic conditions.
uaBB	The insurer with the rating uaBB is characterized by credit solvency below the sufficient one in comparison with other Ukrainian insurers. There is high dependence of stability level upon influence of adverse commercial, financial and economic conditions.
uaB	The insurer with the rating uaB is characterized by low solvency level in comparison with other Ukrainian insurers. There is very high dependence of stability level upon influence of adverse commercial, financial and economic conditions.
uaCCC	The insurer with the rating uaCCC is characterized by very low financial stability in comparison with other Ukrainian insurers. There is potential probability of suspension of activity, or temporary interruption of business process with further default of commitments to insured.
uaCC	The insurer with the rating uaCC is characterized by high probability of suspension of activity with further default of commitments to insured.
uaC	The insurer is expecting the suspension of activity and default of commitments to insured.
uaD	The insurer terminated its activity and started liquidation procedure.

- or + are intermediate rating categories within the major categories.

The scale of rating the financial strength of the insurer has been adapted by RA 'Standard-rating' (Ukraine) based on the national scale approved by the resolution of the Cabinet of Ukraine no. 665 of April, 26th, 2007 'On approval of national rating scale'.

Information for the insured:

The rating of insurer financial strength does not indicate the speed and probability of timely payouts. The rating of insurer financial strength is the opinion of Agency analysts on the probability of suspension of business processes in the company with the subsequent default to meet the obligations to insured