

ТОВ „Стандарт-Рейтинг” (Україна) 01032, Україна, м. Київ, вул. Либідська 1-А, тел./факс +38 (044) 451-63-77  <a href="http://www.standard-rating.com/">http://www.standard-rating.com/</a>		Standard-Rating (Ukraine) LLC 01032, Ukraine, Kyiv, Lybidskaia St. 1-A, tel./ fax +38 (044) 451-63-77  <a href="http://www.standard-rating.com/">http://www.standard-rating.com/</a>				
Standard-Rating	Стандарт-Рейтинг	Standard-Rating	Стандарт-Рейтинг	Standard-Rating	Стандарт-Рейтинг	Standard-Rating

03/29/2012

## PRESS-RELEASE

### IC «Nova» has been assigned the financial stability rating of the insurer

March 29, 2012 the Rating agency «Standard-Rating» has decided to assign the financial stability rating of the insurer at the level **uaA+** according to the national scale. The insurer with a rating **uaA+** is characterized by a high financial stability comparing to the other Ukrainian insurers.

The rating of PJSC «Nova» has been influenced by the following factors:

1. IC «Nova» has a significant work history in the Ukrainian insurance market in its different sectors. The Company successfully survived the financial crisis of 2008-2009, managed to maintain its market positions and competitive range of services. The nominal proportion of IC «Nova» in the Ukrainian insurance market is assessed by the Agency at 0,34%, the Company's proportion in classic insurance fluctuates in the range of 0,7-1% according to the Agency's estimations.

2. IC «Nova» has completed the 9 months of 2011 with a result from operating activity of UAH 8,7 mln., that's in 2,42 times more, than for the same period of 2010. Net profit of the insurer has constituted UAH 6,6 mln. over the 9 months of 2011, that is in 1,83 times more, than over the same period of 2010. The increase in the insurer's profitability has been caused by the decline of expense ratio from 46,64% (9 months of 2010) up to 37,46% following the results of 9 months of 2011.

3. Rise in profitability and decline in the Insurer's liabilities has enabled IC «Nova» to significantly increase its liquidity. On 30.09.2011 the interest bearing assets/liabilities ratio has constituted 86% with the average of the market in the range of 70-75%. At the same time, good liquidity has intensified by the increasing solvency: the shareholders' equity/liabilities ratio has grown from 77,44% up to 98,75%.

4. Auto insurance has accounted for 61% of gross business of IC «Nova» according to the 9 months of 2011 (40% belong to the voluntary insurance for land transport, 21% - compulsory motor liability insurance). Based on the results of the 9 months of 2011, IC «Nova» has managed to make this risk manageable and to achieve the profitable activity in the problematic segment of the Ukrainian insurance market. The level of diversification by large customers is recognized as acceptable by the Agency following the results of 2011, the three largest customers have accounted for 27,37% of the Company's gross business.

5. The profitable assets quality of IC «Nova» is assessed as high. On 30.09.2011 the profitable assets of the insurer have constituted UAH 66,645 mln., 54,5% of which have belonged to the interest bearing assets, while 99,9% of the interest bearing assets have been represented by the assets with rating of investment level, i.e. higher than uaBBB-. On 30.09.2011 the interest bearing assets have grown by 1,78% comparing to 30.09.2010, in spite of the decline in the insurer's liabilities. At the same time, the interest bearing assets, formed on 30.09.2011, exceeded in 1,85 times the insurer's indemnities over the 9 months of 2011.

6. IC «Nova» maintains a very high level of diversification of the reinsurance portfolio. As of 30.09.2011 the insurer has signed the treaties of compulsory reinsurance with such foreign reinsurers as: SCOR (France), Polish Re (Poland), Unite Re (Russian Federation) etc. The reinsurance portfolio of IC «Nova» is balanced and provides the Company with a significant level of protection.

RA «Standard-Rating» (Ukraine)