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PRESS-RELEASE

(Translation from Russian)

The rating of «IC «Proxima», ALC is updated

September 14, 2012 RA «Standard-Rating» (Ukraine) has decided to update the credit rating/ the financial stability rating of «Insurance company «PROXIMA», ALC at the level **uaA**. The insurer with rating **uaA** is characterized by a high financial stability in comparison with other Ukrainian insurers. The stability level is susceptible to adverse commercial, financial and economic conditions. The rating has been improved according to the results of the insurer's statement in the I half of 2012.

Table

Key performance indicators of «Insurance company «PROXIMA», ALC (33592726) 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 | 14143,4 | 2968,6 | 11174,8 | 376,43% |
| 2 | from insurants-individuals | 12,5 | 41,3 | -28,8 | -69,73% |
| 3 | from reinsurers | 0 | 20 | -20 | -100,00% |
| 4 | Proportion of individuals in gross premiums | 0,09% | 1,39% | -1,30 p.p. | - |
| 5 | Proportion of reinsurers in gross premiums | 0,00% | 0,67% | -0,67 p.p. | - |
| 6 | Insurance payments sent to reinsurers | 2801 | 1977,7 | 823,3 | 41,63% |
| 7 | Coefficient of dependence on the reinsurers | 19,80% | 66,62% | -46,82 p.p. | - |
| 8 | Net premiums | 11342,4 | 990,9 | 10351,5 | 1044,66% |
| 9 | Premium earned | 7246,3 | 1009,5 | 6236,8 | 617,81% |
| 10 | Financial result from operating activities | 2859 | 482 | 2377 | 493,15% |
| 11 | ROS | 20,21% | 16,24% | 3,98 p.p. | - |
| 12 | Insurance indemnities and compensations | 3096,3 | 375,4 | 2720,9 | 724,80% |
| 13 | The ratio of indemnities to gross premiums | 21,89% | 12,65% | 9,25 p.p. | - |
| 14 | Shareholders' equity | 58300 | 56102 | 2198 | 3,92% |
| 15 | Liabilities | 11385 | 5070,2 | 6314,8 | 124,55% |
| 16 | Shareholders' equity/Liabilities ratio | 512,08% | 1106,50% | -594,4 p.p. | - |
| 17 | Liquid assets | 4793 | 2434,4 | 2358,6 | 96,89% |
| 18 | Liquid assets/Liabilities ratio | 42,10% | 48,01% | -5,91 p.p. | - |
| 19 | Net profit | 2288 | 147 | 2141 | 1456,46% |
| 20 | ROE | 3,92% | 0,26% | 3,66 p.p. | - |

1. In the I half of 2012 gross premiums of IC «Proxima» have amounted to UAH 14,143 mln that is by 4,76% more, than the same indicator of 2011, while net premiums have grown in 11,44 times, and earned premiums – in 7,18 times. The Company actively increases its presence in the Ukrainian market, significantly increasing the business volume, compared to 2011.

2. A distinct tendency of increasing the company's profitability has been observed against the background of the business growth. Thus, in the I half of 2012 the financial result of the insurer's operating activity has increased by 493,15% up to UAH 2,859 mln, and net profit has grown up to UAH 2,288 mln that is in 15,56 times more, than in the same period of 2011. The profitability growth has positively impacted on the insurer's capacity to increase its shareholders' equity.

3. Liquid assets of IC «Proxima», ALC have grown by 96,89% up to UAH 4,793 mln in the period from 30.06.2011 to 30.06.2012. However, the growth of the company's business has resulted in the growth of liabilities and that's why the liquidity level has reduced by 5,91 p.p. down to 42,1% that is less than the average market indicator. At the same time, IC «Proxima» has continued to belong to the overcapitalized companies at the beginning of the 3Q. As of 30.06.2012 the ratio of shareholders' equity to liabilities has amounted to 512,08% that is higher than the average market indicator in several times.

Therefore, in the I half of 2012 the activity of IC «Proxima» has remained profitable, the company has continued to increase its gross business, that has decreased the effect of the negative impact on the rating of the moderate liquidity level against the background of considerable capitalization.

RA «Standard-Rating» (Ukraine)