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PRESS-RELEASE

(Translation from Russian)

The rating of Private JSC «IG «UBI» is updated

October 01, 2012 RA «Standard-Rating» announces about updating the financial stability rating/the credit rating of Private JSC «Insurance group «UBI» at the level uaA+. The insurer with rating uaA+ is characterized by a high financial stability compared to other Ukrainian insurers. The stability level is susceptible to adverse commercial, financial and economic conditions. The rating has been updated according to the results of the insurer's reporting in the I half of 2012.

Table

Key performance indicators of Private JSC «Insurance group «UBI» in the I half of 2012, p.p., th. UAH, %

#	Indicators	I half of 2012 (30.06.2012)	I half of 2011 (30.06.2011)	Change	Growth rate, %
1	Total gross premiums, including	9918,7	6319,5	3599,2	56,95%
2	from insurants-individuals	4053	1068,8	2984,2	279,21%
3	from reinsurers	4,7	136,3	-131,6	-96,55%
4	Proportion of individuals in gross premiums	40,86%	16,91%	23,95 p.p.	-
5	Proportion of reinsurers in gross premiums	0,05%	2,16%	-2,11 p.p.	-
6	Insurance payments sent to reinsurers	3256,1	4724,3	-1468,2	-31,08%
7	Coefficient of dependence on the reinsurers	32,83%	74,76%	-41,93 p.p.	-
8	Net premiums	6662,6	1595,2	5067,4	317,67%
9	Premium earned	5633,3	2575,2	3058,1	118,75%
10	Financial result from operating activities	782	1175	-393	-33,45%
11	ROS	7,88%	18,59%	-10,71 p.p.	-
12	Insurance indemnities and compensations	1576,1	367,1	1209	329,34%
13	The ratio of indemnities to gross premiums	15,89%	5,81%	10,08 p.p.	-
14	Shareholders' equity	34358	35147	-789	-2,24%
15	Liabilities	17825	8216	9609	116,95%
16	Shareholders' equity/Liabilities ratio	192,75%	427,79%	-235,04 p.p.	-
17	Liquid assets	12376	7465	4911	65,79%
18	Liquid assets/Liabilities ratio	69,43%	90,86%	-21,43 p.p.	-
19	Net profit	60	879	-819	-93,17%
20	ROE	0,17%	2,50%	-2,33 p.p.	-

1. The Company has managed to increase its gross business by 57% up to UAH 9,918 mln in the first half of 2012. At the same time, net premiums have grown in 4,17 times, and earned premiums have grown by 118,75%. The growth of the company's business indicates the strengthening of the insurer's competitive positions in the Ukrainian market against the background of a decline in the growth rate of Ukrainian economics.

2. The Agency notes a decrease in the profitability of the insurer's operations in the I half of 2012 compared to the same period of 2011. Thus, the financial result from operating activities has decreased by 33,45% down to UAH 0,782 mln in the first half of 2012, net profit has fallen by 93,17% down to UAH 60 th. Against the background of the weakening economic recovery this result was predicted. From the positions of analysis of credit risks and financial stability it is important that the insurer's activity remains to be profitable in the first half of 2012.

3. In the first half of 2012 the ratio of shareholders' equity to liabilities of the insurer has decreased down to 192,75%. The capitalization level has remained to be excessively high. According to the Agency, without prejudice to the rating the Company may increase its liabilities by 75-80% under the current size of shareholders' equity. This reserve of financial stability provides the Company with a certain growth potential.

4. With a decrease in the ratio of liquid assets to liabilities of the insurer from 90,86% down to 69,43%, the liquidity ratio at the beginning of the third quarter has corresponded to the average indicator of total liquidity in the market. As of 30.06.2012 the liquid assets at the insurer's accounts have been estimated by the Agency in the amount of UAH 12,376 mln.

Therefore, the Agency gives a positive assessment to the efforts of the company's TOP-management for increasing the volumes of gross business. Private JSC «IG «UBI» has entered the third quarter with excessive capitalization, satisfactory level of liquidity, the company's activity has been breaking even. The above factors have positively impacted on the company's rating.

RA «Standard-Rating» (Ukraine)