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PRESS RELEASE

RA Expert Rating confirms financial strength rating of PrJSC Insurance group U.B.I. at the level uaA

On October, 5th, 2012 RA Expert Rating rating committee took decision on the confirmation of financial strength rating of Private joint-stock company IG U.B.I. (USREOU code 31113488) at the level **uaA** on national scale. At confirmation of insurer rating at such high level, the Agency was guided by the results of Company H1 2012 work analysis.

Table 1

Key performance indicators of PrJSC Insurance Group U.B.I.

Indicators	H I 2012 (30.06.2012)	H I 2011 (30.06.2011)	Change	Growth rate, %
Total assets, UAH th.	52183	43363	8820	20,34%
Shareholders' equity, UAH th.	34358	35147	-789	-2,24%
Total liabilities, UAH th.	17825	8216	9609	116,95%
Shareholders' equity/Insurer liabilities, %	192,75%	427,79%	-235,04 p.p.	-
Cash and cash equivalent, UAH th.	12376	7465	4911	65,79%
Cash/Insurer liabilities, %	69,43%	90,86%	-21,43 p.p.	-
Total gross premium, UAH th.	9918,7	6319,5	3599,2	56,95%
Reinsurer's share in gross premium, UAH th.	3256,1	4724,3	-1468,2	-31,08%
Reinsurance cover ratio, %	32,83%	74,76%	-41,93 p.p.	-
Payouts and indemnities, UAH th.	1576,1	367,1	1209	329,34%
Payout ratio for the period, %	15,89%	5,81%	10,08 p.p.	-
Financial results, UAH th.	782	1175	-393	-33,45%
ROS, %	7,88%	18,59%	-10,71 p.p.	-
Net profit (loss), UAH th.	60	879	-819	-93,17%
ROE, %	0,17%	2,50%	-2,33 p.p.	-

Source: PrJSC Insurance Group U.B.I. data, RA Expert Rating calculations

1. During the period from 30.06.2011 to 30.06.2012 Company assets grew on 20,34 %, and as of reporting date of H1 2012 their volume was UAH 52,183 million. Shareholders' equity constituted UAH 34,358 million as of 30.06.2012, thus, having decreased by 2,24 % compared to the same indicator of 30.06.2011. At the same time, the volume of total liabilities grew in 2,17 times and as of 30.06.2012 made up UAH 17,825 million. Despite sharp growth of liabilities of the insurer, IG U.B.I. remains an overcapitalized company that is proved by shareholders' equity/liabilities ratio of the insurer (192,75 % as of 30.06.2012).

2. Cash means on Company accounts during the period from 30.06.2011 to 30.06.2012 have increased from UAH 7,465 million to UAH 12,376 million UAH, i.e. on 65,79 %. Due to outpacing rates of liabilities growth over cash means U.B.I. the liquidity ratio decreased on 21,43 p.p. Thus, on 30.06.2012 the ratio cash means/liabilities of the company was 69,43 % that proves to sufficient level of insurer liquidity.

3. In H1 2012 IG U.B.I. increased the volume of total business, having collected UAH 9,919 million of gross premiums during the specified period. The growth of gross premiums for first six

months of the current year has constituted 56,95 %. Insurance payouts for H1 2012 have increased in 4,29 times in comparison with the same period of 2011, and on Q2 2012 end their volume was UAH 1,576 million

4. Due to growth of operational and sale expenses the financial result from operational activity of the insurer in H1 2012 decreased on 33,45 % and constituted UAH 782 thousand. Net profit for the first six months of 2012 made up UAH 60 thousand, that is in 14,65 times under the 2011 indicator. Accordingly, ROS and ROE indicators also have decreased. On the beginning of Q3 2012 ROS was 7,88 %, and ROE - 0,17 %.

Having analyzed the financial reports of the insurer, the Agency notes essential growth of total business volume and excessive coefficient of capitalization of the Company, that confirms positive development and stability of IG U.B.I. in the light of the risks undertaken.

Analytical service of RA Expert Rating