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PRESS-RELEASE

(Translation from Russian)

RA «Expert-Rating» confirms the rating of Private JSC «Insurance company 611» at the level uaA-

August 23, 2012 the rating committee of RA «Expert-Rating» has decided to confirm the rating of Private JSC «Insurance company 611» at the level **uaA-** according to the national scale. Confirming the rating of the insurer at this level, the agency was guided by the analysis results of the company's activity in the 1H of 2012.

Table 1

Key performance indicators of Private JSC «Insurance company 611» in the 1 half of 2012

Indicators	I half of 2012 (30.06.2012)	I half of 2011 (30.06.2011)	Change	Growth rate, %
Total assets, th. UAH	30992,2	31274,5	-282,3	-0,90%
Shareholders' equity, th. UAH	28706,9	28687	19,9	0,07%
Gross liabilities, th. UAH	2285,3	2587,5	-302,2	-11,68%
Shareholders' equity/Liabilities ratio (the capital adequacy ratio), %	1256,15%	1108,68%	147,48 p.p.	-
Cash and cash equivalents, th. UAH	3254,9	2638,6	616,3	23,36%
Cash and cash equivalents/ Liabilities ratio, %	142,43%	101,97%	40,45 p.p.	-
Total gross premiums, th. UAH	3242,1	3722,6	-480,5	-12,91%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	2712,2	1851,4	860,8	46,49%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	83,66%	49,73%	33,92 p.p.	-
Insurance indemnities and reimbursements, th. UAH	495,1	851,9	-356,8	-41,88%
Insurance indemnities/Gross premiums ratio for the period, %	15,27%	22,88%	-7,61 p.p.	-
Financial result from operating activities, th. UAH	-18,8	51,3	-70,1	-136,65%
ROS, %	-0,58%	1,38%	-1,96 p.p.	-
Net profit (loss), th. UAH	2,4	9,4	-7	-74,47%
ROE, %	0,01%	0,03%	-0,02 p.p.	-

Source: Data of the Company, calculations by RA «Expert-Rating»

Key conclusions on the analysis of the activity of Private JSC «Insurance company 611» in the 1H of 2012:

1. As of 30.06.2012 assets of the insurer have amounted to UAH 30,992 mln. Shareholders' equity has amounted to UAH 28,707 mln on the same date, that is by UAH 20 th. more than the same indicator as of 30.06.2011. In the period from 30.06.2011 to 30.06.2012 liabilities of the Company have decreased by 11,68% (from UAH 2,588 mln. down to UAH 2,285 mln.). Therefore, Private JSC «Insurance company 611» remains overcapitalized, as indicated by the shareholders' equity/liabilities ratio, which has reached 1256,15% at the end of the reported period.

2. Cash on the accounts of the Company has amounted to UAH 3,255 mln. at the end of the first half of 2012 that is by 23,36% more, than on 30.06.2011. As a result, the liquidity ratio of the insurer remains at a very high level and following the first half of 2012 it amounts to 142,43%. The Company maintains surplus liquidity, which guarantees the solvency of the insurer.

3. Private JSC «Insurance company 611» has collected UAH 3,242 mln. of gross premiums in the 1H of 2012, that is by 12,91% less than the indicator of the 1H of 2011. Insurance indemnities have decreased by 41,88% in the 1H of 2012, compared to the 1H of 2011 and at the end of the analyzed period they have amounted to UAH 495,1 th.

4. Due to the increase in distribution expenses and administrative expenses, the financial result from the operating activity of Private JSC «Insurance company 611» has amounted to UAH - 18,8 th. according to the results of the 1H of 2012. But the Company has managed to obtain the positive result of activity in the analyzed period. Therefore, net profit of Private JSC «Insurance company 611» has amounted to UAH 2,4 th.

Despite the decrease in the profitability indicators of the insurer, the Agency notes that Private JSC «Insurance company 611» remains the company with good financial stability and low credit risks, as indicated by its liquidity and capitalization.

Analytical service of RA «Expert-Rating»