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## PRESS-RELEASE

(Translation from Russian)

### The financial stability rating of the insurer Private JSC «IC «BROKBUSINESS» is confirmed at the level uaAA-

May 22, 2012 RA «Expert-Rating» confirms the financial stability rating of Private JSC «IC «BROKBUSINESS» at the level **uaAA-** according to the national scale following the analysis of the Company's activity in the Q1 of 2012. Confirming the rating, the Agency was guided by the results of the analysis of the insurer's activity in the Q1 of 2012.

Table

Key performance indicators of Private JSC «IC «BROKBUSINESS»

Indicators	I quarter of 2012 (31.03.2012)	I quarter of 2011 (31.03.2011)	Change	Growth rate, %
Total assets, th. UAH	215396	192571,2	22824,8	11,85%
Shareholders' equity, th. UAH	120939	97538,7	23400,3	23,99%
Gross liabilities, th. UAH	94457	95032,5	-575,5	-0,61%
Shareholders' equity/Liabilities ratio (the capital adequacy ratio), %	128,04%	102,64%	25,40 p.p.	-
Cash and cash equivalents, th. UAH	93945	78793,5	15151,5	19,23%
Cash and cash equivalents/ Liabilities ratio, %	99,46%	82,91%	16,55 p.p.	-
Total gross premiums, th. UAH	24445	28738,1	-4293,1	-14,94%
Insurance indemnities and reimbursements, th. UAH	1273,5	823,2	450,3	54,70%
Insurance indemnities/Gross premiums ratio for the period, %	5,21%	2,86%	2,35 p.p.	-
Financial result from operating activities, th. UAH	14262,8	16297,6	-2034,8	-12,49%
ROS, %	58,35%	56,71%	1,64 p.p.	-
Net profit (loss), th. UAH	5589,1	6391,6	-802,5	-12,56%
ROE, %	22,86%	22,24%	0,62 p.p.	-
Insurance indemnities and reimbursements, th. UAH	4712,6	6447,9	-1735,3	-26,91%
Insurance indemnities/Gross premiums ratio for the period, %	3,90%	6,61%	-2,71 p.p.	-

Source: Data of Private JSC «IC «BROKBUSINESS», calculations by RA «Expert-Rating»

1. As of 31.03.2012 assets of the company have amounted to UAH 215,396 mln that is by 11,85% more than on the same date of 2011. Shareholders' equity has increased by 23,99%, gross liabilities of the insurer have decreased by 0,61%. Therefore, at the end of the Q1 of 2012 shareholders' equity of the insurer has amounted to UAH 120,939 mln, while liabilities have amounted to UAH 94,457 mln. As a result, the capital adequacy ratio has amounted to 128,04% that indicates a redundant capitalization of the company.

2. Cash on accounts of IC «BROKBUSINESS» has amounted to UAH 93,945 mln on 31.03.2012, having increased by 19,23% in comparison with the indicator on 31.03.2011. As of the end of Q1 of 2012 cash has covered 99,46% of the company's liabilities. This indicator demonstrates a rather high level of liquidity. Liquidity of IC «BROKBUSINESS» has been almost by 25 p.p. higher than the market average. In the Agency's opinion, IC «BROKBUSINESS» conducts a very conservative policy in the field of liquidity management, although this is what provides the insurer with a guaranteed level of stability.

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3. IC «BROKBUSINESS» has collected UAH 24,445 mln of gross premiums in the Q1 of 2012 that is by 14,94% less than in the same period of 2011. At the same time, insurance indemnities have reduced by 12,49% in comparison with the same period of the previous year and have amounted to UAH 14,263 mln at the end of analyzed period. A slight correction of volumes of the insurer's gross business won't have a significant impact on its financial stability and credit risk.

4. The financial result from operating activities of IC «BROKBUSINESS» has amounted to UAH 5,589 mln following the results of the Q1 of 2012 that is by 12,56% less than according to the results of the Q1 of 2011. At the same time, ROS of the company hasn't decreased and has amounted to 22,86% that indicates an effective sales policy of the insurer. IC «BROKBUSINESS» has finished the Q1 of 2012 with net profit of UAH 4,713 mln that is by UAH 1,735 mln less, compared to the indicator of the Q1 of 2011. Due to the decrease in net profit, ROE has decreased from 6,61% down to 3,9%. In the Agency's opinion, an insignificant correction of the business activity indicators and the profitability indicators of IC «BROKBUSINESS» is a reaction to the slowdown in economic growth in the Q1 of 2012. This correction hasn't had any impact on the financial stability level of the insurer, IC «BROKBUSINESS» remains one of the most liquid and overcapitalized companies in Ukraine.

*Analytical service of RA «Expert-Rating»*