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PRESS-RELEASE

(Translation from Russian)

RA «Expert-Rating» confirms the rating of the insurer Private JSC «IC «BROKBUSINESS» at the level uaAA- according to the results of the activity for the 2011

April 4, 2012 RA «Expert-Rating» confirms the financial stability rating of Private JSC «IC «BROKBUSINESS» at the level **uaAA-** according to the national scale. Confirming the rating, the Agency was based on the analysis of the company's results in 2011.

Table 1

Key performance indicators of Private JSC «IC «BROKBUSINESS»

Indicators	2011 (31.12.2011)	2010 (31.12.2010)	Change	Growth rate, %
Total assets, th. UAH	212209	215451	-3242	-1,50%
Shareholders' equity, th. UAH	116227	114391	1836	1,61%
Total liabilities, th. UAH	95982	101060	-5078	-5,02%
Shareholders' equity/ Total liabilities ratio, %	121,09%	113,19%	7,90 p.p.	-
Cash and cash equivalents, th. UAH	93582	101123	-7541	-7,46%
Cash and cash equivalents/ Total liabilities ratio, %	97,50%	100,06%	-2,56 p.p.	-
Gross premiums, th. UAH	150463,9	219024,7	-68560,8	-31,30%
Reinsurer's proportion in gross premiums, th. UAH	6935,8	54394,9	-47459,1	-87,25%
Reinsurer's proportion in gross premiums/ Gross premiums ratio, %	4,61%	24,84%	-20,23 p.p.	-
Insurance indemnities and reimbursements, th. UAH	73979,8	73459,7	520,1	0,71%
Insurance indemnities and reimbursements / Gross premiums ratio for the period, %	49,17%	33,54%	15,63 p.p.	-
Financial result from operating activities, th. UAH	21625	30704	-9079	-29,57%
ROS, %	14,37%	14,02%	0,35 p.p.	-
Net profit (loss), th. UAH	25136	30489	-5353	-17,56%
ROE, %	21,63%	26,65%	-5,03 p.p.	-

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

1. Shareholders' equity of IC «BROKBUSINESS» has grown by 1,61% for the 12 months of 2011, liabilities have decreased by 5,02%. Therefore, as of 31.12.2011 the Shareholders' equity/ Total liabilities ratio has amounted to 121,09% that is by 7,9 p.p. more than the same indicator as of 31.12.2010 and shows the excessive capitalization of IC «BROKBUSINESS». At the same time, in 2011 cash and cash equivalents have decreased by 7,46%. As a result, the liquidity of the Company has slightly decreased, by 2,56 p.p. and has amounted to 97,5% that is by 22,5 p.p. more, than the average of the market.

2. Gross premiums have reduced by 31,3% following the results of 2011 and as of 31.12.2011 have amounted to UAH 150463,9 th. Insurance indemnities have amounted to UAH 73979,8 th. for the 2011, that is only by 0,71% more, than the same indicator of 2010. Therefore, in 2011 the Insurance indemnities/ Gross premiums ratio has increased by 15,63 p.p. in comparison with the 2010 due to a significant decrease in gross business of the insurer. But, taking into account a good liquidity and solvency of the Company, the reduction of gross premiums in 2011 has not influenced the financial stability of IC «BROKBUSINESS».

3. Financial result from operating activity of the insurer in 2011 has amounted to UAH 21625 th. that is by UAH 9079 th. or by 29,57% less, than in 2010. At the same time, ROS has increased from 14,02% up to 14,37% following the results of the company's activity in 2011. The Company has finished the 2011 with a little less net profit of UAH 25136 th. in comparison with profit of 2010. Due to that, ROE has demonstrated a slightly reduction by 5,03 p.p. and for the 2011 it has amounted to 21,63% that is higher than the average of the market. As a whole, indicators of Private «IC «BROKBUSINESS» demonstrate a strong financial state of the Company and its solid market positions.

Analytical service of RA «Expert-Rating»