

10.04.2012

PRESS-RELEASE

(Translation from Russian)

The financial stability rating of the insurer «Insurance Company «Proxima», ALC up to the level uaA

April 10, 2012 RA «Expert-Rating» improves the financial stability rating of the insurer «Insurance Company «Proxima», ALC up to the level **uaA** according to the national scale following the results of the Company's activity in 2011.

Table 1

Key performance indicators of «Insurance Company «Proxima», ALC (th. UAH, %, p.p.)

Показатели	2011 (31.12.2011)	2010 (31.12.2010)	Change	Growth rate, %
Total assets, th. UAH	62302	62425	-123	-0,20%
Shareholders' equity, th. UAH	56012	55954	58	0,10%
Gross liabilities, th. UAH	6290	6471	-181	-2,80%
Shareholders' equity/Liabilities ratio, %	890,49%	864,69%	25,80 p.p.	-
Cash and cash equivalents, th. UAH	3901	3201,2	699,8	21,86%
Cash and cash equivalents/ Liabilities ratio, %	62,02%	49,47%	12,55 p.p.	-
Total gross premiums, th. UAH	7316,3	6893,1	423,2	6,14%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	2940,9	4460,3	-1519,4	-34,06%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	40,20%	64,71%	-24,51 p.p.	-
Insurance indemnities and reimbursements, th. UAH	677,8	535,8	142	26,50%
Insurance indemnities/Gross premiums ratio for the period, %	9,26%	7,77%	1,49 p.p.	-
Financial result from operating activities, th. UAH	473	-1846	2319	-125,62%
ROS, %	6,47%	-26,78%	33,25 p.p.	-
Net profit (loss), th. UAH	22	27681	-27659	-99,92%
ROE, %	0,04%	49,47%	-49,43 p.p.	-

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

When improving the financial stability rating (the credit rating), the Agency was guided by the following conclusions:

1. As of 31.12.2011 assets of IC «Proxima» have amounted to UAH 62,302 mln that is only by 0,2% less than on 31.12.2010. Shareholders' equity of the Company has increased by 0,1% and has amounted to UAH 56,012 mln, liabilities of the insurer have decreased by 2,8% and, therefore, have amounted to UAH 6,29 mln on 31.12.2011. As a result, shareholders' equity has been almost in 9 times more than liabilities of the insurer that indicates the redundant capitalization of IC «Proxima». Cash on the Company's accounts has amounted to UAH 3,901 mln as of 31.12.2011 that is by 21,86% more than the same indicator on 31.12.2010, which has resulted in the increase of the liquidity coefficient from 49,47% up to 62,02% in the 12 months of 2011.

2. In October of 2011 IC «Proxima» has become one of the three insurance companies, which were chosen by the company "Ukrspesexport" for cargo insurance. Also, in November of the same year during the tender the State Enterprise "Scientific-Industrial Complex of gas turbine construction "Zorya" – "Mashproekt" (Nikolaev) has chosen IC «Proxima» for insurance of collateral property.

The insurer has collected gross premiums of UAH 7,316 mln that is by 6,14% more than indicator of 2010. At the same time, the proportion of insurance premiums belonged to the reinsurers has decreased by 34,06% in the same period. Insurance payments of IC «Proxima» have increased by UAH 142 th. or by 26,5% in the period 31.12.2010-31.12.2011 and, therefore, have amounted to UAH 677,8 th. Taking into account the growth of the insurer's gross business, the increase in insurance indemnities has not almost impacted on the result of the Company's activity.

3. The activity of IC «Proxima» has remained profitable in 2011. The financial result from operating activity of the insurer has amounted to UAH 473 th. following the results of 2011, while the same indicator of 2010 has been negative of UAH 1,846 mln. The insurer has managed to significantly improve ROS by 33,25 p.p.: from -26,78% up to 6,47%. Therefore, sufficient liquidity, overcapitalization and increase in gross premiums indicate a good financial stability of IC «Proxima».

Analytical service of RA «Expert-Rating»