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PRESS-RELEASE

(Translation from Russian)

The financial stability rating of Private JSC «Insurance group «U.B.I.» is confirmed at the level uaA

June 01, 2012 RA «Expert-Rating» confirms the financial stability rating of **Private JSC «IG «U.B.I.»** at the level **uaA** according to the results of the Company's activity in the Q1 of 2012. When confirming the insurer's rating, the Agency was guided by the results analysis of the Company's activity in the Q1 of 2012.

Table

Key performance indicators of Private JSC «Insurance group «U.B.I.»

Indicators	1 quarter of 2012 (31.03.2012)	1 quarter of 2011 (31.03.2011)	Change	Growth rate, %
Total assets, th. UAH	48668	44011	4657	10,58%
Shareholders' equity, th. UAH	34539	36100	-1561	-4,32%
Total liabilities, th. UAH	14129	7911	6218	78,60%
Shareholders' equity/ Total liabilities ratio, %	244,45%	456,33%	-211,87 p.p.	-
Cash and cash equivalents, th. UAH	9736	6314	3422	54,20%
Cash and cash equivalents/ Total liabilities ratio, %	68,91%	79,81%	-10,90 p.p.	-
Gross premiums, th. UAH	4078,6	5643	-1564,4	-27,72%
Reinsurer's proportion in gross premiums, th. UAH	1471	3124	-1653	-52,91%
Reinsurer's proportion in gross premiums/ Gross premiums ratio, %	36,07%	55,36%	-19,29 p.p.	-
Insurance indemnities and reimbursements, th. UAH	1304,6	114,1	1190,5	1043,38%
Insurance indemnities and reimbursements / Gross premiums ratio for the period, %	31,99%	2,02%	29,96 p.p.	-
Financial result from operating activities, th. UAH	605,8	1946	-1340,2	-68,87%
ROS, %	14,85%	34,49%	-19,63 p.p.	-
Net profit (loss), th. UAH	241	1832	-1591	-86,84%
ROE, %	0,70%	5,07%	-4,38 p.p.	-

Source: Data of Private JSC «Insurance group «U.B.I.», calculations by RA «Expert-Rating»

1. In the period from 01.01.2012 to 31.03.2012 assets of the Company have increased by 10,58% compared to the same period of 2011 and, therefore, have amounted to UAH 48,668 mln on 31.03.2012. As of 31.03.2012 shareholders' equity has amounted to UAH 34,539 mln, and liabilities – UAH 14,129 mln. As a result, the shareholders' equity/liabilities ratio of the insurer has amounted to 244,45% according to the results of the Q1 of 2012 that indicates a very high level of the insurer's capitalization.

2. As of 31.03.2012 cash on accounts of IG «U.B.I.» has amounted to UAH 9,736 mln that is by 54,2% more, than the same indicator as of 31.03.2011. At the same time, the Company's liabilities have grown almost by 79% in the period from 31.03.2011 to 31.03.2012. The liquidity ratio has amounted to 68,91%. This liquidity approximately corresponds to the average indicator of the market.

3. IG «U.B.I.» has collected UAH 4,079 mln of gross premiums in the Q1 of 2012. At the same time, insurance indemnities have grown in 11 times and have amounted to UAH 1,305 mln at the end of the analyzed period. Therefore, the ratio of insurance indemnities to gross premiums has amounted to 31,99% that approximately corresponds to the average market level of payments in the market of classical types of insurance. A significant increase in payments in the Q1 of 2012, compared to the same quarter of 2011, has been caused by a rise of risks, taken by the insurer in 2011. In the agency's opinion, the level of payments achieved in the first quarter isn't critical and won't have any impact on the credit risks of the company in the short-term period.

4. The financial result from operating activities of the insurer has amounted to UAH 605,8 mln according to the results of the Q1 of 2012, ROS has respectively amounted to 14,85%. IG «U.B.I.» has finished the first three months of 2012 with net profit of UAH 241 th. The decrease in gross premiums of the company occurs in line with the slowdown of economic growth of Ukraine. However, even against the background of the slowdown of economic growth, the insurer's activity has remained profitable, equity and liquid assets sufficiently cover the company's liabilities, and the structure of the Company's insurance portfolio by types of insurance is commendable, transport risks occupy less than 25%.

Analytical service of RA «Expert-Rating»