

PRIVATE JOINT-STOCK COMPANY INSURANCE COMPANY "BUSIN"

IFRS Financial Statements

As at 31 December 2010 and for the year then ended

(In thousand UAH)

Statement of financial position as at 31 December 2010

	<i>Note</i>	<i>2010</i>	<i>2009</i>
Assets			
Current assets			
Cash and cash equivalents	4	21,007	14,536
Restricted cash	5	1,592	1,597
Accounts receivable	6	43,453	53,056
Advances paid	7	6	147
Other receivables	8	1,240	1,328
Investments at fair value	13	759	234
Inventories	9	9,083	6,683
Deferred expenses		74	86
		<u>77,214</u>	<u>77,667</u>
Long-term assets			
Deferred tax assets	10	694	548
Long-term accounts receivable	11	136	-
Investments available-for-sale at cost	12	2,658	158
Property and equipment and intangibles	14	1,066	632
		<u>4,554</u>	<u>1,338</u>
		<u>81,768</u>	<u>79,005</u>
Liabilities and equity			
Current liabilities			
Accounts payable	15	22,471	35,866
Advances received		-	388
Other current liabilities	16	414	471
		<u>22,885</u>	<u>36,725</u>
Insurance reserves			
Reserve for non-earned premiums	17	39,362	39,347
Reserves other than the reserve for non-earned premiums	17	592	77
Reinsurers' share in unearned premiums reserves	17	(19,743)	(30,164)
Reinsurers' share in reserves other than unearned premiums reserves	17	-	-
		<u>20,211</u>	<u>9,260</u>
Equity			
Share capital	18	24,400	24,400
Capital reserves	19	4,125	4,125
Retained earnings		10,147	4,495
		<u>38,672</u>	<u>33,020</u>
		<u>81,768</u>	<u>79,005</u>

Chairman of the Board _____ D. A. Ovchinnikov

Chief Accountant _____ S. A. Efimenko

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Statement of comprehensive income for 2010

	<i>Note</i>	<i>2010</i>	<i>2009</i>
Premiums received			
Total premiums received	20,34	78,295	86,290
Premiums paid to reinsurers	21,34	(38,412)	(63,951)
Changes in insurance reserves			
Changes in unearned premiums reserves	17,34	(15)	(16,078)
Changes in reinsure's share in unearned premiums reserves	17,34	(10,421)	14,187
Total income		29,447	20,448
Insurance claims and indemnities and changes in reserves, other than unearned premiums reserves			
Insurance claims and indemnities	22	(2,207)	(4,835)
Changes in reserves other than unearned premiums reserves	17	(515)	(30)
Changes in reinsurers' share in reserves other than unearned premiums reserves	17	-	(14)
Case administration cost			
Administrative expenses	23	(5,140)	(5,678)
Sale service related expenses	24	(2,796)	(3,341)
Change in provision for doubtful debts on trade accounts receivable	25	(4,489)	(2,069)
Other operating income and expenses	26	(1,001)	930
Total insurance expenses		(16,148)	(15,037)
Operating insurance result		13,299	5,411
Change of provision for doubtful debts on other accounts receivable	25	(147)	(7)
Finance income and expenses	27	1,671	1,822
Other income and expenses	28	251	918
Net profit before tax		15,074	8,144
Income tax expenses	29	(2,619)	(3,475)
Net profit after tax		12,455	4,669
Other comprehensive income		-	-
Comprehensive income		12,455	4,669

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Statement of cash flows for 2010

	2010	2009
Cash flows from operating activities		
Net profit before tax	15,074	8,144
Adjustments to:		
Property and equipment depreciation and Intangible assets amortization	267	223
Changes in insurance reserves	530	16,107
Changes of reinsurers' share in insurance reserves	10,421	(14,172)
Changes of provision for doubtful debts	4,891	2,069
Revaluation of shares accounted at fair value	147	(70)
Exchange differences	192	(1,574)
Result from sale of financial investments	838	(817)
Result from sale of property and equipment	(67)	-
Discount of accounts receivable	120	-
Interest income	(1,795)	(1,978)
Changes in:		
Accounts receivable	4,714	(20,099)
Advances paid	141	(138)
Other accounts receivable	(278)	734
Inventories	(2,400)	(1,827)
Deferred expenses	12	6
Account receivable	(13,395)	18,972
Advances received	(388)	(632)
Other liabilities	(420)	49
<i>Cash from / (used in) operating activities</i>	<u>18,604</u>	<u>4,997</u>
Interest received on bank deposits	1,922	2,451
Income tax paid	(2,610)	(4,485)
Dividends paid	(6,803)	(18,639)
Net cash (from) / used in operating activities	<u>11,113</u>	<u>(15,676)</u>
Cash flow from / (used in) investment activities		
Acquisition of property and equipment	(702)	(164)
Proceeds from sales of property and equipment	67	62
Dividends received	3	19
Acquisition of investments	2,502	-
Sale of investments	(6,512)	898
Net cash from investment activities	<u>(4,642)</u>	<u>814</u>
Cash flow from financing activities		
Net cash from financing activities	<u>-</u>	<u>-</u>
Net cash increase	<u>6,471</u>	<u>(14,862)</u>
Cash and cash balances at the beginning of the year	<u>14,536</u>	<u>29,398</u>
Cash and cash balances at the year-end	<u>21,007</u>	<u>14,536</u>

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Statement of changes in equity for 2010

	<i>Share capital</i>	<i>Capital reserves</i>	<i>Retained earnings</i>	<i>Total</i>
Balance as at 01 January 2009	24,400	4,125	18,465	46,990
Dividend payment to shareholders	-	-	(18,639)	(18,639)
	-	-	(18,639)	(18,639)
Comprehensive income for the period	-	-	4,669	4,669
Balance as at 31 December 2009	24,400	4,125	4,495	33,020
Dividend payment to shareholders			(6,803)	(6,803)
			(6,803)	(6,803)
Comprehensive income for the period			12,455	12,455
Balance as at 31 December 2010	24,400	4,125	10,147	38,672

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