

PRIVATE JOINT STOCK COMPANY INSURANCE COMPANY "BUSIN"

Financial statements in accordance with IFRS

As at 31 December 2011 and for the year then ended

(in thous. UAH)

Statement of financial position as at 31 December 2011

	<i>Note</i>	<i>2011</i>	<i>2010</i>
Assets			
Current assets			
Cash and cash equivalents	4	31,320	21,007
Restricted cash	5	-	1,592
Accounts receivable	6	46,281	43,453
Advances paid	7	106	6
Other receivables	8	657	896
Investments at fair value	13	498	759
Inventories	9	8,134	9,083
Deferred expenses		35	74
		<u>87,031</u>	<u>77,214</u>
Long-term assets			
Deferred tax assets	10	1,149	694
Long-term accounts receivable	11	159	136
Investments available-for-sale at cost	12	1,014	2,658
Property and equipment and intangibles	14	1,025	1,066
		<u>3,347</u>	<u>4,554</u>
		<u>90,378</u>	<u>81,768</u>
Liabilities and equity			
Current liabilities			
Accounts payable	15	21,552	22,471
Other current liabilities	16	478	414
		<u>22,030</u>	<u>22,885</u>
Insurance reserves			
Reserve for non-earned premiums	17	38,388	39,362
Reserves other than the reserve for non-earned premiums	17	19	592
Reinsurers' share in unearned premiums reserves	17	(22,879)	(19,743)
Reinsurers' share in reserves other than unearned premiums reserves	17	-	-
		<u>15,528</u>	<u>20,211</u>
Equity			
Share capital	18	24,400	24,400
Capital reserves	19	4,125	4,125
Retained earnings		24,295	10,147
		<u>52,820</u>	<u>38,672</u>
		<u>90,378</u>	<u>81,768</u>

Chairman of the Board _____ D. A. Ovchinnikov

Chief Accountant _____ S. A. Efimenko

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Statement of comprehensive income for 2011

	<i>Note</i>	<i>2011</i>	<i>2010</i>
Premiums received			
Total premiums received	20,34	82,104	78,295
Premiums paid to reinsurers	21,34	(49,652)	(38,412)
Changes in insurance reserves			
Changes in unearned premiums reserves	17,34	974	(15)
Changes in reinsure's share in unearned premiums reserves	17,34	3,136	(10,421)
Total income		36,562	29,447
Insurance claims and indemnities and changes in reserves, other than unearned premiums reserves			
Insurance claims and indemnities	22	(1,072)	(2,207)
Changes in reserves other than unearned premiums reserves	20	573	(515)
Changes in reinsurers' share in reserves other than unearned premiums reserves	20	-	-
Case administration cost			
Administrative expenses	23	(5,483)	(5,140)
Sale service related expenses	24	(1,463)	(2,796)
Change in provision for doubtful debts on trade accounts receivable	25	(4,407)	(4,489)
Other operating income and expenses	26	156	(1,001)
Total insurance expenses		(11,696)	(16,148)
Operating insurance result		24,866	13,299
Change of provision for doubtful debts on other accounts receivable	25	(239)	(147)
Finance income and expenses	27	2,008	1,671
Other income and expenses	28	(147)	251
Net profit before tax		26,488	15,074
Income tax expenses	29	(2,342)	(2,619)
Net profit after tax		24,146	12,455
Other comprehensive income		-	-
Comprehensive income		24,146	12,455

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Statement of cash flows for 2011

	2011	2010
Cash flows from operating activities		
Net profit before tax	26,488	15,074
Adjustments to:		
Property and equipment depreciation and Intangible assets amortization	315	267
Changes in insurance reserves	(1,547)	530
Changes of reinsurers' share in insurance reserves	(3,136)	10,421
Changes of provision for doubtful debts	4,407	4,891
Revaluation of shares accounted at fair value	263	147
Exchange differences	(308)	192
Result from sale of financial investments	169	838
Result from sale of property and equipment	(57)	(67)
Discount of accounts receivable	(18)	120
Interest income	(1,990)	(1,795)
Changes in:		
Accounts receivable	(7,235)	4,714
Advances paid	(100)	141
Other accounts receivable	1,983	(278)
Inventories	949	(2,400)
Deferred expenses	38	12
Account receivable	(576)	(13,395)
Advances received	-	(388)
Other liabilities	207	(420)
<i>Cash from / (used in) operating activities</i>	<u>19,854</u>	<u>18,604</u>
Interest received on bank deposits	2,080	1,922
Income tax paid	(2,878)	(2,610)
Dividends paid	(9,998)	(6,803)
Net cash (from) / used in operating activities	<u>9,058</u>	<u>11,113</u>
Cash flow from / (used in) investment activities		
Acquisition of property and equipment	(275)	(702)
Proceeds from sales of property and equipment	57	67
Dividends received	-	3
Acquisition of investments	(800)	(6,512)
Sale of investments	2,273	2,502
Net cash from investment activities	<u>1,255</u>	<u>(4,642)</u>
Cash flow from financing activities		
Net cash from financing activities		-
Net cash increase	<u>10,313</u>	<u>6,471</u>
Cash and cash balances at the beginning of the year	<u>21,007</u>	<u>14,536</u>
Cash and cash balances at the year-end	<u>31,320</u>	<u>21,007</u>

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Statement of changes in equity for the year 2011

	<i>Share capital</i>	<i>Capital reserves</i>	<i>Retained earnings</i>	<i>Total</i>
Balance as at 01 January 2010	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
Dividend payment to shareholders	-	-	(9,998)	(9,998)
	-	-	(9,998)	(9,998)
Comprehensive income for the period	-	-	24,146	24,146
Balance as at 31 December 2011	24,400	4,125	24,295	52,820

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