



**KAFOLAT**

Insurance Company

COMPANY PROFILE

# Company's establishment

Established on March, 1997 under the Decree of the Cabinet of Ministers of the Republic of Uzbekistan # 144, dated March 14, 1997

**Authorized Capital of UZS 28.16 billion or the equivalent to EUR 14.6 million**

## **Largest stockholders:**

- Ministry of Finance of the Republic of Uzbekistan - 66,5%
- National Bank for Foreign Economic Activity of the Rep. of Uzbekistan - 11,7%
- Navoi Mining and Metallurgical Complex (NMMC) - 7,8%
- Uzagrosugurta SJSIC - 3,7%
- Almalyk Mining and Metallurgical Complex (AMMC) - 3,3%
- Asakabank - 0,5%
- Aloqabank - 0,3%
- Other legal entities - 2,5%
- Physical persons - 3,7%

Since April 2008 Company's shares enlisted in highest category «A» of listing at the Republican Stock Exchange «Toshkent» (index «KFLT»)

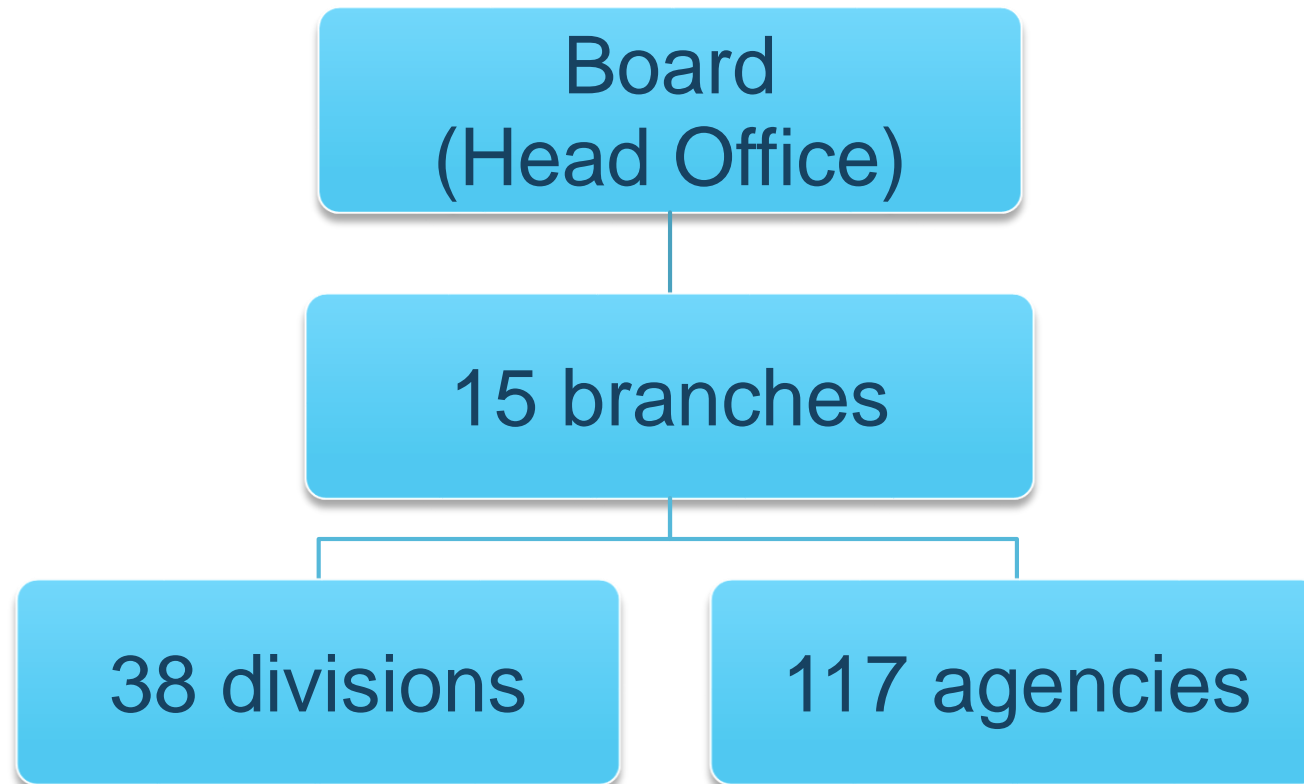
# Company's Operation

- ▶ License by Ministry of Finance of the Republic of Uzbekistan for operating within all 17 classes in General (Non-Life) Insurance Industry
- ▶ Main business lines:
  - Insurance Operations
  - Reinsurance
  - Investments, etc.
- ▶ Ranked 2-nd in premiums from compulsory insurance lines with approximate market share of above 18% on Compulsory Insurance of Civil Liability of Vehicle Owners (CICL) and 23,5% on Compulsory Insurance of Civil Liability of Employer (CICLE) by results of 2014
- ▶ Ranked 3-rd among 31 national insurance companies in gross premiums with market share of approximately 9,6% by results of 2014



# Regional Network

- ▶ 2-nd largest network of regional units among 31 national insurers, which includes 15 branches (located in the Republic of Karakalpakstan, regional centers and Tashkent city), 38 divisions and 117 agencies



# Material and Technical Base

## ► Company's own buildings – 34 units



Office of division in Kokand city



Tashkent city branch office



Jizzakh city branch office



Nukus city branch office



Termez city branch office



Company's divisions own offices in some cities of Uzbekistan

# Material and Technical Base

► **Company's car fleet – 63 cars, including:**

Chevrolet Nexia – 24 units

Chevrolet Matiz – 11 units

Chevrolet Cobalt – 9 units

Chevrolet Damas – 8 units

Chevrolet Lacetti – 5 units

Lada VAZ 2107 – 2 units

Daewoo Tico – 2 units

Chevrolet Spark – 1 unit

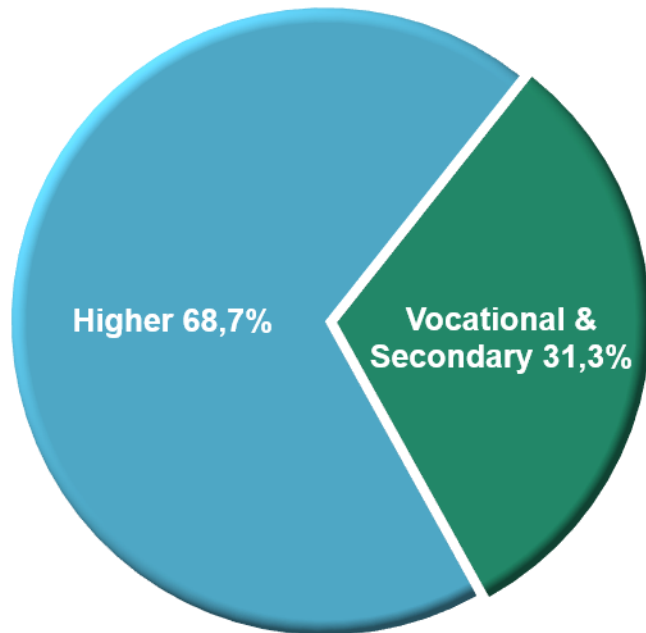
Chevrolet Epica – 1 unit



# Human Resources

- ▶ **Company's permanent staff number is 535**

## Specialists education level



## Qualifications

Professional level of managers and senior accountants of the company meets the qualification requirements set by regulations

## Staff education

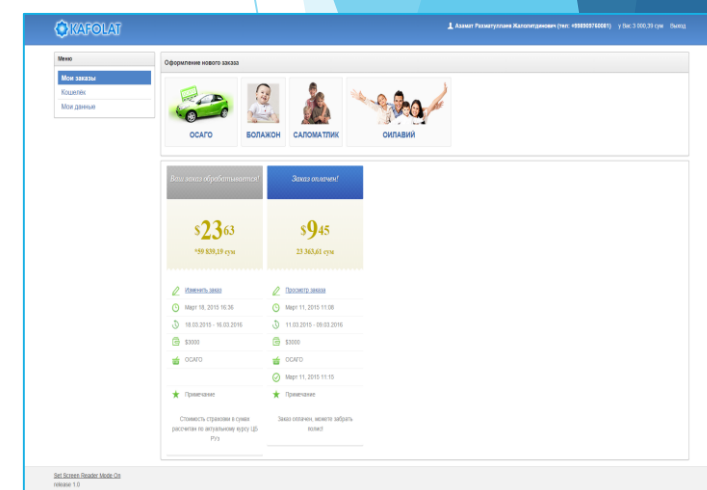
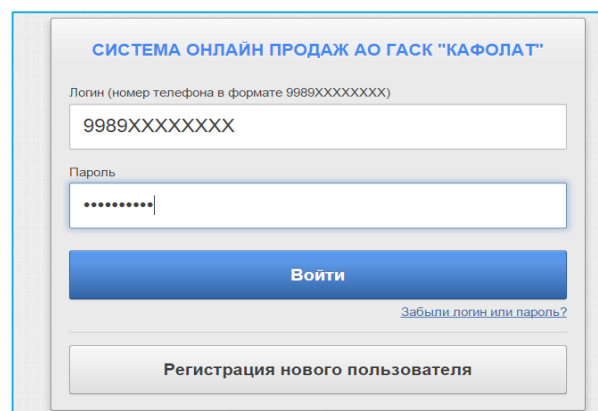
- Banking & Finance Academy – 13 persons
- Economic Institutions – 18 persons
- Professional skills growth and seminars in educational centers – over 140 persons in 2014

# Technologies applied

## ► Online insurance service

In November 2014 a new system of online ordering and purchasing insurance policies is introduced on the Company's website.

After registering on the Company's website and submitting their mobile phone number, clients are able to order and purchase insurance policies online.



Client should submit e-versions of required documents in one of popular graphical formats.

Service fee (policy cost) to be paid via client's debit card, provided that the card is connected to sms-information service in authorized bank.

The Company provides free of charge delivery of insurance policy to the customer's address within Tashkent city.





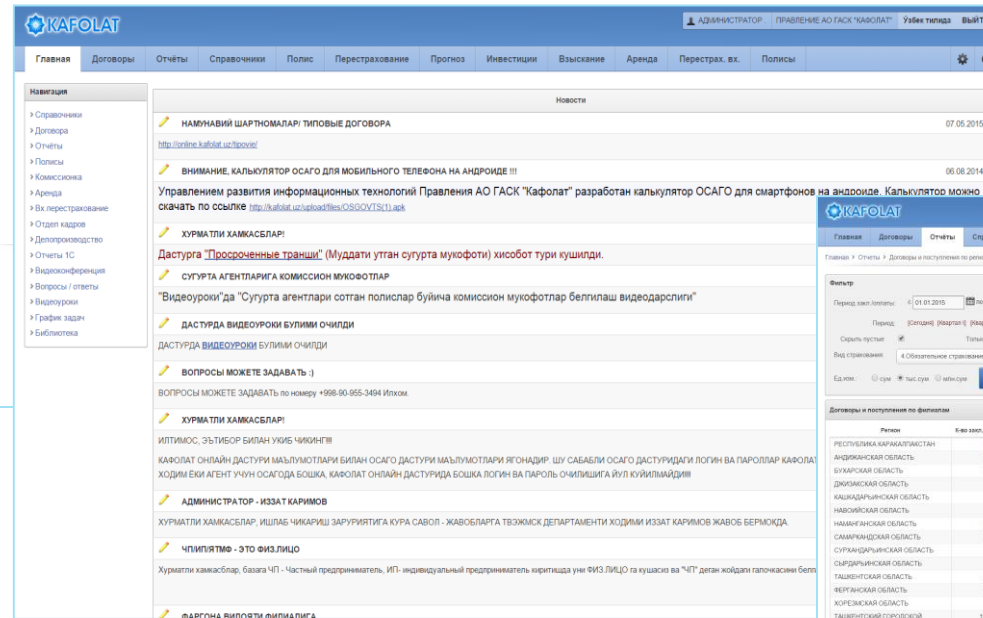
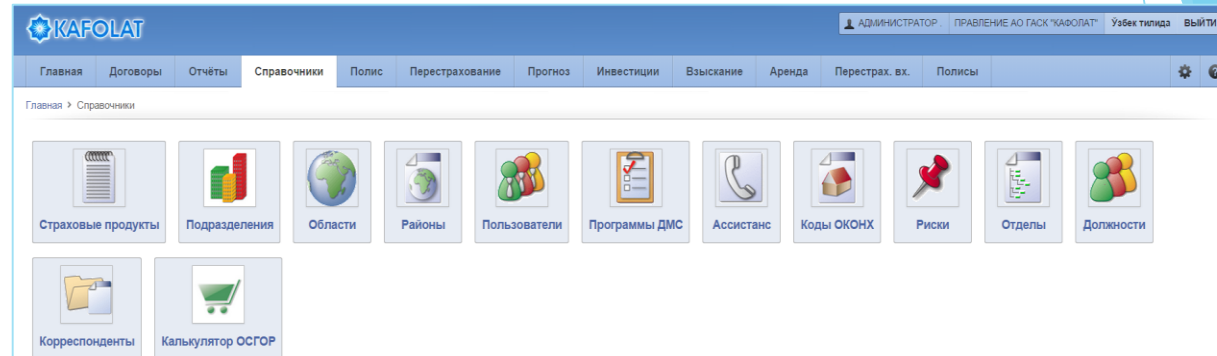
# Technologies applied

## ► AIS «Kafolat Online»

In 2014 the Company accomplished works on introducing new information system based on the platform of Oracle 11 G.

New system is to provide a single information field for most of the Company's operations and quick reporting for the following business areas:

- Over 80 insurance products
- Reinsurance
- Investment operations
- Clerical work
- Rented property book keeping
- Human Resources management



The screenshot shows the KAFOLAT web application interface with a financial report table. The table is titled "Договоры и поступления по филиалам" and has columns for "Результат", "Кан. закл. дог.", "Кан. по объектам", "Кан. по полисам", "Сумма комис. премии", "Сумма поступлений", "Выход в сумму зак.", "Отт. прем.", "Сумма отг.", "Комиссия + Бонус", and "Бонус".

Результат	Кан. закл. дог.	Кан. по объектам	Кан. по полисам	Сумма комис. премии	Сумма поступлений	Выход в сумму зак.	Отт. прем.	Сумма отг.	Комиссия + Бонус	Бонус	
РЕСПУБЛИКА КАРГАЛСТАН	156	156	156	53 546,29	53 546,29	0,00	53 546,29	59 989 759,44	2 493,73	0,00	2 493,73
АНДИЖАНСКАЯ ОБЛАСТЬ	145	145	145	98 008,79	98 008,79	0,00	98 008,79	91 993 809,45	7 529,91	0,00	7 529,91
БУХАРАСКАЯ ОБЛАСТЬ	252	252	252	48 262,16	48 262,16	0,00	48 262,16	73 884 417,64	3 671,97	0,00	3 671,97
ДУШАНБЕСКАЯ ОБЛАСТЬ	22	22	22	72 348,64	72 348,63	0,00	72 348,63	33 084 285,28	5 477,55	0,00	5 477,55
КАШГАРСКАЯ ОБЛАСТЬ	70	70	70	74 379,52	74 379,52	0,00	74 379,52	49 431 524,90	3 598,86	0,00	3 598,86
НАВРОЙСКАЯ ОБЛАСТЬ	75	75	75	482 887,01	482 887,01	0,00	482 887,01	183 300 352,29	2 774,51	0,00	2 774,51
НАМАНГАНСКАЯ ОБЛАСТЬ	153	153	153	60 371,11	60 371,11	0,00	60 371,11	51 516 180,81	1 376,05	0,00	1 376,05
САМАРКАНДСКАЯ ОБЛАСТЬ	219	219	219	86 706,63	86 706,63	0,00	86 706,63	96 892 199,23	6 013,30	0,00	6 013,30
СУРХАНДАРЬСКАЯ ОБЛАСТЬ	62	62	62	42 303,57	42 303,57	0,00	42 303,57	1 717 888,29	1 674,26	0,00	1 674,26
СЫРДАРЬСКАЯ ОБЛАСТЬ	51	51	51	24 822,33	24 822,33	0,00	24 822,33	17 595 706,43	1 473,39	0,00	1 473,39
ТАШКЕНТСКАЯ ОБЛАСТЬ	669	669	669	204 228,11	204 228,11	0,00	204 228,11	169 516 712,52	10 858,91	362,28	13 257,53
БЕЛГАУСКАЯ ОБЛАСТЬ	253	253	253	110 436,89	110 436,89	0,00	110 436,89	94 990 363,72	8 761,19	157,00	8 658,59
ХОРЕЗМСКАЯ ОБЛАСТЬ	74	74	74	20 172,70	20 172,70	0,00	20 172,70	25 678 496,96	0,00	0,00	0,00
ТАШКЕНТСКИЙ ГОРОДСКОЙ	1 851	1 851	1 851	611 159,02	611 159,02	0,00	611 159,02	524 695 795,16	27 142,11	1 204,99	25 858,12
АНДЕРРАЙТИНГ - МАРКАЗИ ФИВАЛА	206	206	206	157 965,45	157 965,45	0,00	157 965,45	96 221 579,76	2 408,08	0,00	2 408,08
ПРАВЛЕНИЕ АО ГАСК "КАФОЛАТ"	60	60	60	8 273,31	8 273,31	0,00	8 273,31	9 362 317,96	0,00	0,00	0,00
ИТОГО:	4 191	4 191	4 191	2 148 861,72	2 148 861,72	0,00	2 148 861,72	1 859 879 477,95	63 548,32	1 792,87	61 788,15

# Products Offered

## Group 1 – Corporate Clients

- ▶ Compulsory insurance of Civil Liability of Vehicle Owners (CICL)
- ▶ Compulsory insurance of Civil Liability of Employer (CICLE)
- ▶ Compulsory insurance of Construction Risks for Projects financed by Government or through Loans under Government Guarantee
- ▶ Compulsory insurance of Civil Liability for causing harm to Life, Health and (or) Property of Third Parties and Environment in case of accident at Hazardous Production Facility (HPL)
- ▶ Compulsory state insurance of health and life of state forensic experts;
- ▶ Property Insurance
- ▶ Comprehensive Insurance of Vehicles
- ▶ Cargo Insurance
- ▶ Accident Group Insurance
- ▶ Construction Risks Insurance
- ▶ Comprehensive Insurance of specialized cotton terminals
- ▶ Comprehensive Insurance of export contracts
- ▶ General Liability Insurance
- ▶ Insurance of professional liability of customs brokers
- ▶ Insurance of professional liability of appraisers
- ▶ Insurance of professional liability of auditors
- ▶ Insurance of professional liability of advocates, etc.

## Group 2 – Individual Clients

- ▶ Compulsory insurance of Civil Liability of Vehicle Owners (CICL)
- ▶ Compulsory insurance of Civil Liability of Foreign Vehicle Owners (when entering the territory of Uzbekistan)
- ▶ Home Building Insurance
- ▶ Home Property Insurance
- ▶ Vehicle Insurance (Casco)
- ▶ Accident Insurance
- ▶ Sickness Insurance
- ▶ Insurance of Persons Travelling abroad
- ▶ Voluntary Healthcare Insurance

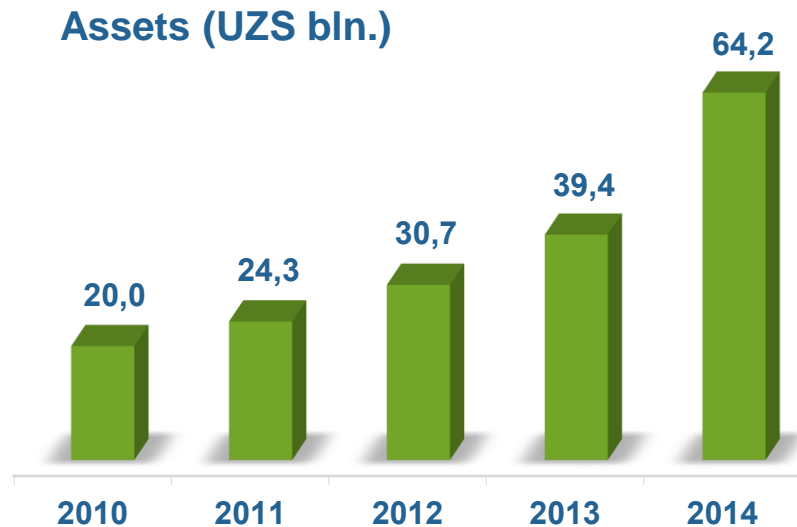
## Group 3 – Credit Institutions

- ▶ Insurance of Pledged Property and Vehicles
- ▶ Insurance Property and Vehicles under Leasing contract
- ▶ Borrower's Accident Insurance
- ▶ Hypothec Insurance
- ▶ Comprehensive Insurance of Banking operations

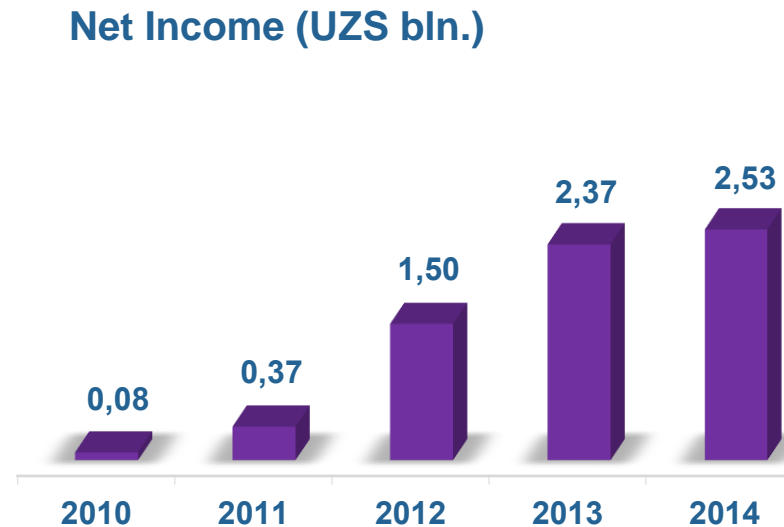
**Total over 80 insurance products**

# Company's Indicators

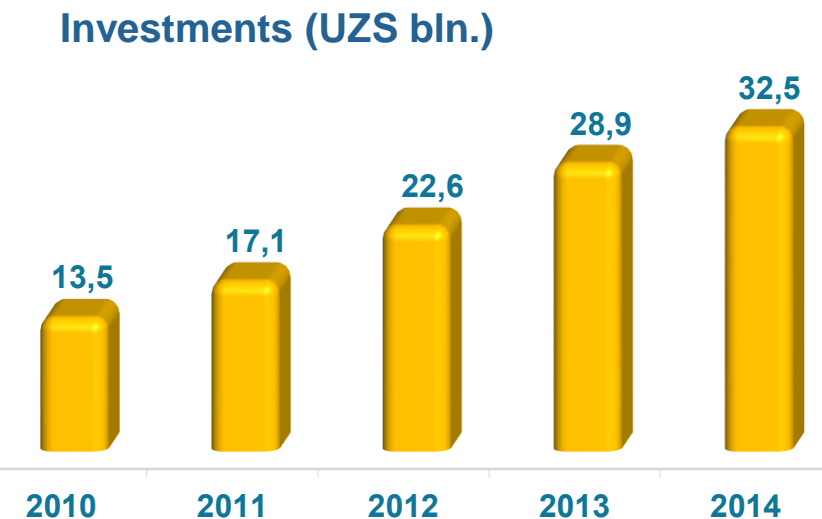
Assets (UZS bln.)



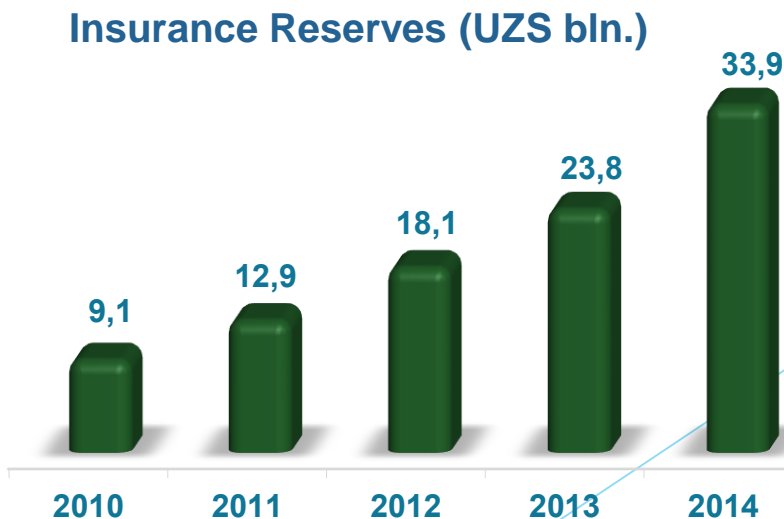
Net Income (UZS bln.)



Investments (UZS bln.)



Insurance Reserves (UZS bln.)



# Company's Indicators

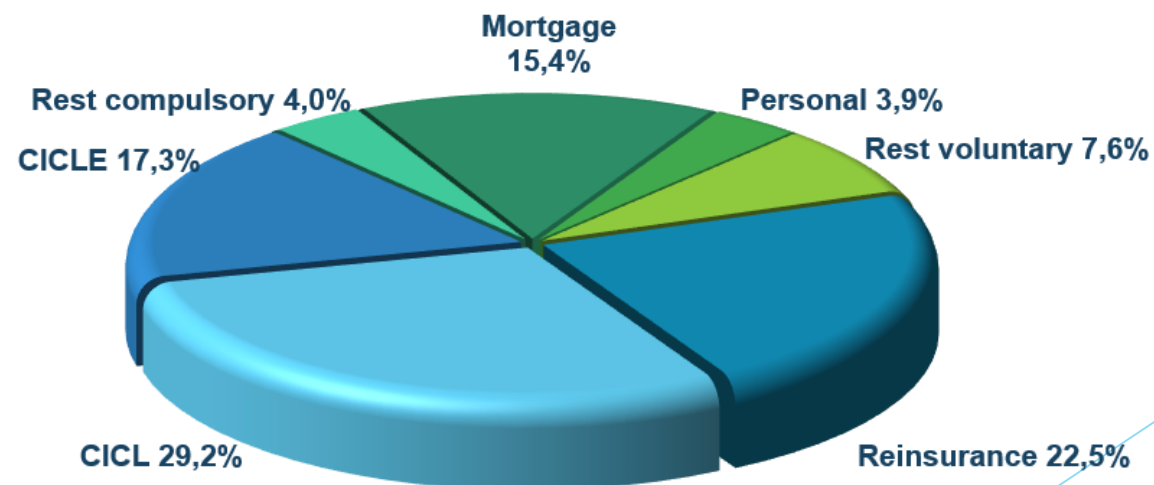
## Insurance Premiums Collection (UZS bln.)



## Claims Settled Amount (UZS bln.)



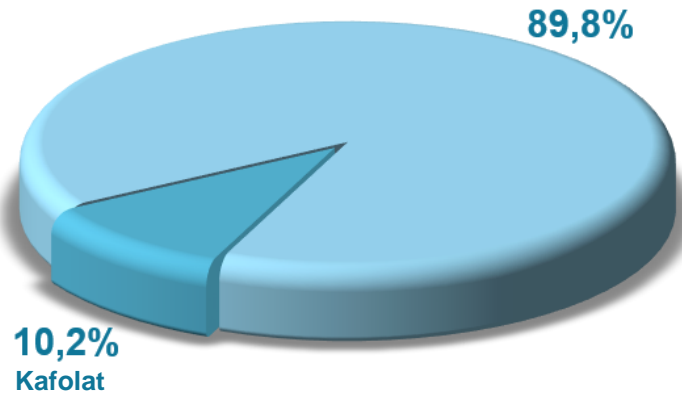
## Insurance Premiums Breakdown in 2014



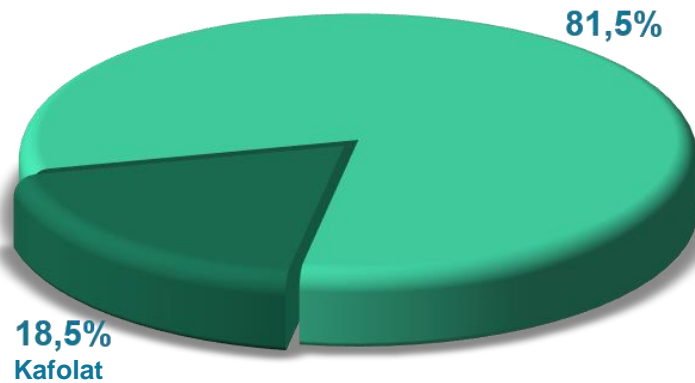
# Company's Market Position in the 1<sup>st</sup> half of 2015

(among all local insurers)

**Kafolat share in Gross Premiums**



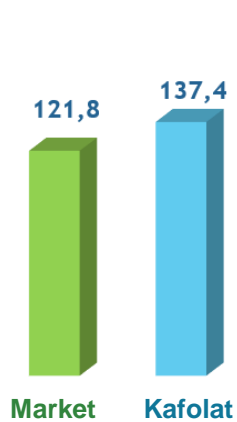
**Kafolat share in CICL Premiums**



**Kafolat Market Share Change (%)**



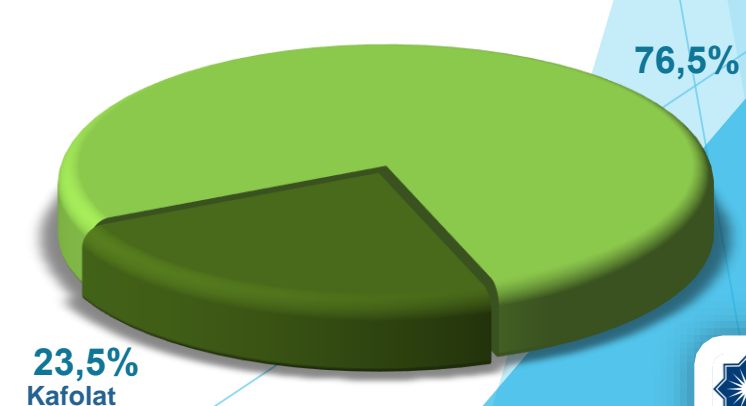
**Premiums Growth (%)**



**Claims Settled Growth (%)**



**Kafolat share in CICLE Premiums**



# Main Competitors

## Market positions of the main competitors and the Company by results of 2014

Insurer	Market Share	Competition Fields
SJSC "Uzagrosugurta" (JSC)	18,9%	CICL, CICLE, Property Insurance, Personal Insurance
NEIIC "Uzbekinvest"	13,8%	CICLE, Property Insurance, Healthcare Insurance
SJSC «Kafolat»	9,6%	
JSC "Kapital Sug'urta"	6,1%	CICL, Property Insurance
"Alfa Invest" Ins.Co.ltd	5,9%	CICL, CICLE, Property Insurance
JSC IC "Alskom"	5,6%	CICL, CICLE, Property Insurance
"Asia Inshurans" Ins.Co.ltd	5,2%	CICL, CICLE, Property Insurance
"Temiryo'l-Sug'urta" Ins.Co.ltd JV	4,0%	Property Insurance
IJSC "INGO-Uzbekistan"	3,0%	Travelers Insurance
JSC "Universal-Sug'urta"	1,7%	CICL, Property Insurance

# Financial Plan

- ▶ Company's share to be sold to foreign investor makes 15.5% of Authorized capital of the Company, that in natural figures represents 2 835 712 ordinary shares with face value of UZS 4 364.16 mln.
- ▶ According to the Assessment Report by Grant Thornton Valuation the preliminary value of the Government owned share holding of 15.5% to be sold makes UZS 6 054,27 mln.
- ▶ Investment necessary for Company's modernization makes UZS 8.0-12.0 bln. that will cover the following expenditures:
  - improvement of material and technical base of the Company, including construction and capital repairs of buildings
  - purchase of computers & office equipment and software development



# Main Projects of Modernization



Reconstruction of the Head Office (Board) building in Tashkent city.



Completion of construction of branch office building in Fergana city



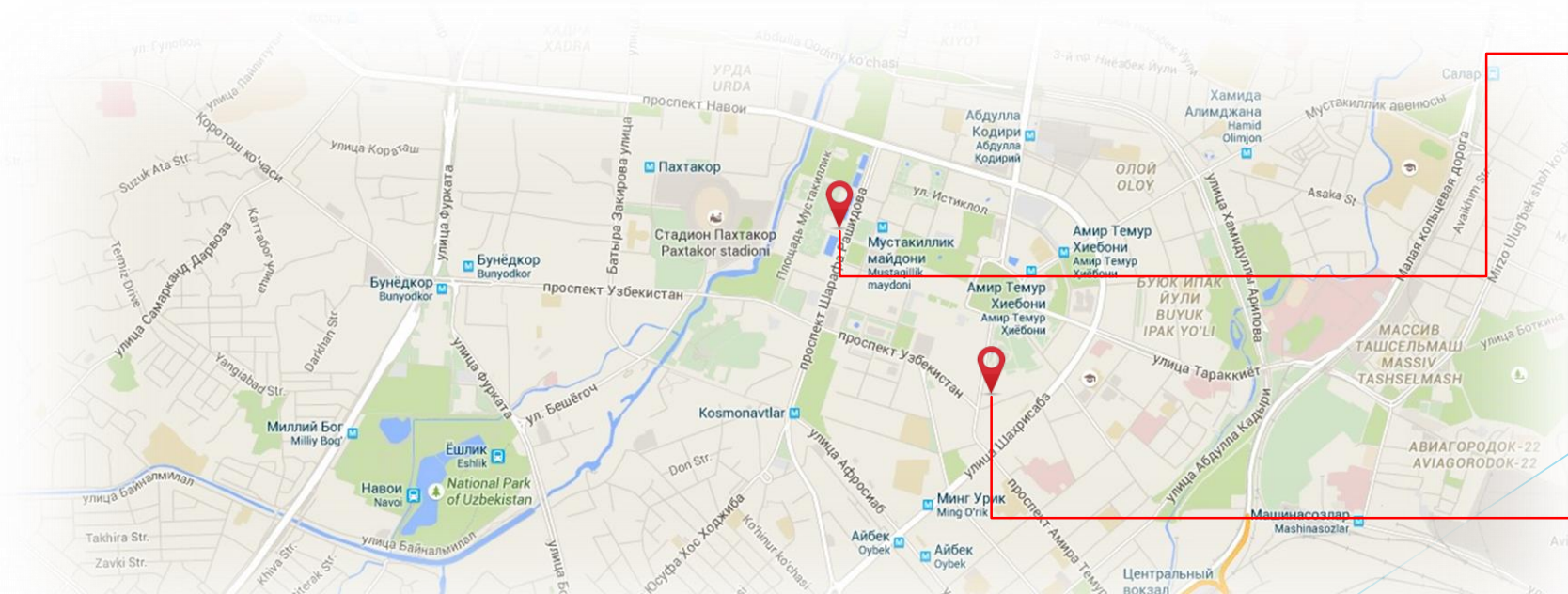
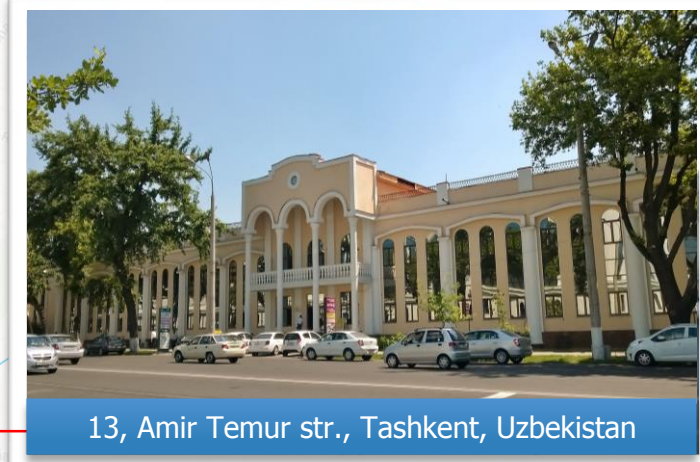
Construction of branch office building in Urgench city

# Financial Plan (Forecast)

Indicator	2015	2016	2017	2018	2019
Insurance premiums (UZS mln.)	47 400,0	61 500,0	74 660,0	91 850,0	114 800,0
Reinsurance premiums ceded (UZS mln.)	7 108,1	17 722,4	21 514,7	26 468,3	33 081,8
Net profit (UZS mln.)	2 200,4	2 603,0	2 900,0	3 200,0	3 600,0
Return on authorized capital (%)	8,10%	8,75%	9,00%	9,39%	9,86%
Earnings per share (UZS)	120,2	134,6	138,4	144,5	151,7
Dividends on 15,5% share of common stocks (UZS mln.)	306,7	363,1	404,6	446,4	502,2

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*Thanks for attention!*