

‘Expert-Rating’ rating agency
 November, 18th, 2008
 Quarterly actualization of rating assessment

The confirmation of uaA+ stability rating to Busin JSIC

Expert Rating RA confirmed **a+** grade stability rating to Busin JSIC (**uaA+** grade on national scale). **a+** grade stability rating means that Company is most likely to resist impact of negative factors.

Table

Key indicators of Busin JSIC activity in 9 months of 2007 and 2008 (thousand UAH)

Indicators	9 months			
	2008	2007	Изменение	Темп прироста
Assets	50239,5	46143,8	4095,7	8,88%
Equity capital	35859,0	41694,1	-5835,1	-14,00%
Equity ratio, %	71,37%	90,36%	-18,99%	-
Statutory fund	24400,0	10125,0	14275,0	140,99%
Gross premium	40191,9	28937,8	11254,1	38,89%
Reinsurer's share in gross premiums, %	63,76%	83,42%	-19,66%	-23,57%
Indemnity	1224,6	2251,1	-1026,5	-45,60%
Indemnity ratio, %	3,05%	7,78%	-4,73	-
Equity capital efficiency(ROE), %	22,18%	4,09%	18,09%	-
Net income (loss)	7954,0	1703,4	6250,6	366,95%

Source: Company data, calculations by Expert Rating

The current rating assessment is based on following results of analyses of Company accounts:

1. The amount of gross premiums in 9 months of 2008 increased by 38.89% and exceeded the market growth rate ten times. The significant lead of the Company's premiums growth over market rates was caused by both appearance of new clients and growth of amount of air transportation in H12008.

2. The amount of made net income exceeded the similar indicator in 2007 4.66 times. The prevalent tendency became available thanks to both lowering of gross indemnity by 45.6% and decrease of reinsurers' share in total premiums from 83% past year to 64% this year.

3. In H1 2008 Company increased the statutory fund 2.4 times and decreased the additional capital. Consequently, the amount of equity capital decreased by 14%, that is from UAH41.7 m in 2007 to UAH35.9 m in 2008. The equity ratio lowered from 90.36% to 71.37% which as before, on Expert-Rating opinion, indicates the excessive level of Company's capitalization.

Agency positively appraises the growth of Company's Equity capital efficiency as well as of net income. In spite of heavy economic conditions Company managed to conduct the assets restricting, to preserve high quality of assets and to develop substantially its business.