

Expert Rating rating agency
 August 27, 2007
 Quarterly rating updating

The confirmation of rating estimation (assessment) of Dniproinmed JSIC

On August 27 2007 Expert Rating RA has confirmed the **a** grade stability rating of Dniproinmed JSIC which is equal to **uaA** grade in national scale. **a** grade stability rating means high level of stability with positive forecast.

Table

Dniproinmed JSIC Highlights, UAH thousand

Indicators	First half-year			12 months		
	2007	2006	Growth rate, %	2006	2005	Growth rate, %
Assets	119416,0	83129,0	43,65	85564,3	105407,60	-18,83
Equity capital	79199,7	66622,4	18,89	67948,6	63203,80	7,51
Ratio of equity capital and assets	66,32%	80,14%	-	79,41%	59,96%	-
Statutory fund	37631,50	37631,50	-	37631,50	13631,50	176,06
Gross premiums	149580,9	54983,6	72,05	169556,2	114166,70	48,52
Re-insurer's share in gross premiums, %	5,52%	9,08%	-	5,18	2,20	-
Invested into re-insurance, %	88,21%	79,60%	-	92,80	81,90	-
Insurance indemnity gross value %	2,29%	4,72%	-	3,87	4,40	-
Equity capital efficiency (ROE), %	14,21%	5,13%	-	6,98	27,60	-
Net income (loss)	11251,2	3418,7	-	4744,80	17464,80	-72,83

Source: Company data, data of company annual reports to State Commission for Securities and Stock Market Regulation, calculations by Expert Rating

The gross premiums growth in the first half of the 2007 year in comparison with the same period of the last year has made 72.05%. The evident advance over the market average rate of growth is explained by the growth of business activity of Company's clients as well as by successful realization of sales strategy in the first half of the 2007 year.

By results of its activity in the first half of the 2007 year Company became one of the winners of price offers demand on motor transport owners' civil liability insurance held by Donetskoblvodokanal utility enterprise.

- medical insurance program was successfully introduced for employees of NPO Pavlogradskiy khimicheskoy zavod (chemicals plant).

- Company has enriched its programmes of medical, health and accident insurance for employees of Mittal Steel Kryvyi Rih Inc. and Dneprovskiy mashinostroitel'niy zavod (engineering plant)

-Company became the single insurer which renders motor transport owners' civil liability insurance service to Mittal Steel Kryvyi Rih Inc., Dnepropetrovsk, Nikolajevgaz, Chernomorneftegaz Inc. Total number of insured motor vehicles amounted 2500.

According to Expert Rating's calculations Company entered the Top ten of the most large-scale insurance companies as to the volume of collected gross premiums.

Meanwhile the growth rate of equity capital was two times less in comparison with growth rate of assets and 4 times less than that of gross premiums. This tendency is not either crucial or sufficient and can not be cause for reassessment of Company's rating of liability. The Company's financial coefficients are within the allowable standards for **uaA** grade credit rating in national scale.

Expert Rating
 Rating agency