

‘Expert-Rating’ rating agency
 November, 24th, 2008
 Quarterly actualization of rating assessment

The confirmation of uaA+ stability rating to MIR JSIC

Expert-Rating agency has confirmed the **uaA+** (on national scale) stability rating to MIR JSIC.

Table

Key indicators of MIR JSIC activity in H1 2007 and 2008 (thousand UAH)

Indicators	9 months 2008	9 months 2007	Growth ratio. %	Changes
Assets	65587.0	62225.4	5.40	3361.6
Equity capital	58515.7	57872.7	1.11	643
Equity ratio. %	89.22	93.00	-	-3.78
Statutory fund	50050.0	50050.0	0.00	0
Gross premiums	17066.8	29955.0	-43.03	-12888.2
Reinsurer's share in gross premiums. %	62.06	71.80	-	-9.74
indemnity	1541.8	1167.9	32.01	373.9
indemnity ratio. %	9.03	3.90	-	5.13
Equity capital efficiency (ROE). %	-0.16	11.38	-	-11.54
Net income (loss)	-94.03	3408.8	-102.76	-3502.83

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 realized over the last 9 months net income decreased by 102.72% compared with the same period of 2007. During this period the amount of company's losses made up UAH94 thousands. The ROE of Company accounted for -0.16%. The losses got by Company may be considered inessential. Expert Rating draws attention to the fact that the past 9 months resulted in UAH4292.5 thousands of net operating income.

2. We in Expert-Rating negatively appraise the decrease of gross premiums from UAH 29.9 m in 9 months of 2007 to UAH 17.066 m in similar period of 2008 thus having caused the decrease of gross premiums by almost 43%. In consideration of appearance in Q3 of first indications of recession, the decrease of gross premium collected by MIR IC during 9 months of 2008 against the background of insignificant losses may be considered to be a neutral event from the position of influence on Company's solvency.

3. The main indicators of insurer's solvency (premiums-equity capital ratio, equity capital-assets ratio) remain within the standard. In the judgment of the Agency over the last 9 months MIR IC stucked to the conservative policy of surplus solvency and liquidity meantime the Company's activity remains profitable.