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‘Expert-Rating’ rating agency
August, 28th, 2008
Annual 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 H1 2008 (thousand UAH)

Indicators	H1 2008	H1 2007	Growth ratio, %	Changes
Assets	72922.9	58642.4	24.35	14280.5
Equity capital	61645.8	56042.8	10.00	5603
Equity ratio,%	84.53	95.56	-	-11.03
Statutory fund	50050.0	50050.0	-	0
Gross premiums	8922.6	16972.6	-47.43	-8050
Reinsurer's share in gross premiums,%	68.49	73.99	-	-5.5
Indemnity	1008.8	751.7	34.20	257.1
Indemnity ratio, %	11.31	4.43	-	6.88
Equity capital efficiency (ROE), %	4.92	2.82	-	2.1
Net income (loss)	3035.8	1578.9	92.27	1456.9

Source: Company data, calculations by Expert Rating

The current rating assessment is confirmed on the basis of following data analysis of Company accounts:

1. The amount of net income in the H1 2008 has grown by 92.3% in comparison with H1 2007. In 2008 Company has made UAH 3m of net income. The equity capital efficiency has grown up to 4.92% and the share of reinsurers in gross premiums has decreased from 74% to 68.5%.

2.We in Expert-rating negatively appraise the decrease of gross premiums from UAH 16.9 m in H1 2007 to UAH 8.92 m in H1 2008 thus causing the decrease of gross premiums by almost 47.5%. Taking into account the twofold growth of net income in H1 2008 the gross premiums decrease tendency, on Expert-Rating opinion, does not bear any substantial risks.

3. The highlights of Company’s solvency including both equity ratio and the gross premiums and equity capital ratio remain within the standard. On Agency opinion, Company in H1 2008 continued to adhere to policy of excess both solvency and liquidity even so going to be profitable.