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'Expert-Rating' rating agency
June 20, 2008
Quarterly actualization of rating assessment (on results of Q1 2008 activity)

The confirmation of rating assessment of Vesco JSIC

On June 20, 2008 Expert Rating RA has confirmed **aaa** grade (**uaAAA** grade on national scale) stability rating on Vesco JSIC. **uaAAA** grade stability rating means that Company is most likely to resist influence of negative factors.

Table

Key indicators of Vesco JSIC activity in Q1 2008(thousand UAH)

Indicators	Q1 2008	Q1 2007	Growth rate In 2007-2008	12 months		Growth rate In 2006-2007
				2007	2006	
Gross premiums	59 415.5	31 555.9	88.29	190,830	139,215.3	37.08
Annual growth rate	-	-	-	37.08	29.54	-
Re-insurers' share in gross premiums. %	**0.6143**	**0.7843**	-	**27.93**	**44.9**	-
Insurance indemnity ratio	**34.65**	**26.62**	-	**27.01**	**22.4**	-
Assets	253 650.1	205 992.7	23.14	236 860	196 189	20.73
equity capital	136 119.1	150 976.4	-9.84	142.041	145.9866	-2.70
Equity capital and assets ratio.%	**53.66**	**73.29**	-	**59.97**	**74.41**	-
Stature fund	10 000.0	10 000.0	-	10 000	10 000	-
Net income (loss)	-5 860.5	3 096.8	-289.24	-5 871	5 825.2	-
Equity capital efficiency (ROE). %	**-4.3**	**2.05**	-	**-4.13**	**4.0**	-

Source: company's data, Expert-Rating calculations

Expert-Rating points out following positive tendencies in company's development in Q1 of 2008:

1. The amount of gross premiums increased by 88.29% to UAH 59.415 million. In Expert Rating opinion Company managed to get the considerable growth of premiums at the expense of active merchandising. In Q1 2008 company has piled up expenses on both making and renewal of contracts threefold. Company also has implemented the polices remote sales project.
2. By results of its activity in the first quarter of 2008 Company has incurred UAH 5.86 million losses. The losses were caused by:
- the growth of indemnity ratio (34.65% in 2008 and 26.62% in 2007). Total volume of indemnity in Q1 2008 has been increased 2.2 times in comparison with that of the last year and has amounted UAH 20.589 million:
- the acquisition expenses growth.

The losses in Q1 constituted 4.3% out of total amount of equity capital and on Expert Rating opinion should not have a substantive influence on either Company's financial performance or its solvency. The level of acquisition expenses and collected premiums ratio remains high enough. However it should be taken into consideration that increasing market expenses Company stimulates the premiums growth which in turn increases its domestic market share.
In Expert Rating opinion the determining factor which maintains Company on the very high level is high level of external maintenance ensured by company's stockholders. By results of company's activity in Q1 2008 the AXA group's income increased by 2% to EURO 8.885 billion, the quantity of underwritten polices has grown up 263 000 pcs. on Q1 last year.