

'Expert-Rating' rating agency
02 September 2010

Successful change of top management team

Confirmation of rating of IC 'Leader Re' (32830769)

On 02 September 2010 following the results of H1 2010 'Expert-rating' rating agency has confirmed stability rating of 'Leader Re' IC at the level **uaAA** — on national scale. This outlook means very high probability of that the company will resist under the influence of adverse factors in the future.

Table

Key performance indicators of PJS IC 'Leader Re'

Indicators	H1 2010	H1 2009	H1 2008	H1 2007	Growth rate 2009-2010 %	Growth rate 2007-2010 %
Assets, th.UAH	56447,0	66908,0	65197,8	63480,3	-15,63%	-11,08%
Authorized capital, th.UAH	50226,0	60674,0	51398,1	53062,1	-17,22%	-5,34%
Shareholders equity/assets %	88,97%	90,68%	78,8%	83,6%	-	-
Authorized capital, ths.UAH	50000,0	50000,0	50000,0	50000,0	0,00%	0,00%
Gross premium, ths.UAH	14546,0	13290,0	18014,4	13813,7	9,45%	5,30%
Reinsurer's share in gross premium, %	53,53%	50,96%	15,20%	8,32%	-	-
Ceded for reinsurance, ths.UAH	7787,0	6773,0	2738,3	1149,9	14,97%	577,19%
Payments/gross premiums ratio, %	36,92%	56,64%	58,9%	56,7%	-	-
Total indemnities, th.UAH	5370,0	7528,0	10615,0	7835,8	-28,67%	-31,47%
ROE, %	0,04%	27,80%	-16,65%	10,06%	-	-
Net income (loss), ths.UAH	21,2	16873,0	-2139,8	1334,2	-99,88%	-98,43%

Source: PJS IC data; calculations by 'Expert-rating' RA.

Confirming the rating of IC Leader Re the Rating agency 'Expert-rating' draws attention of insurers and investors to the following aspects of company activity:

1. As of 01.07.2010 compared vs 01.07.2009 company assets dropped by 15,6%, equity — by 17,22%. However IC 'Leader Re' still remained redundantly capitalized company. Highly liquid assets, namely funds on the current and deposit accounts, as of 01.07.2010, made UAH 5,44 mln. The agency assesses solvency level of IC 'Leader Re' as redundant, and liquidity level - as sufficient to settle current obligations.

2. Gross volume of IC 'Leader Re' business in the H1 of 2010 compared with the same period of last year has grown on 9,45%. The company yet has not reached pre-crisis level of gross premiums UAH 18 mln, obtained in H1 2008. However in view of indemnities decrease on 29% and absence of losses, company management performs an efficient work on improvement of the financial situation in the company in the post-crisis period.

3. It should be reminded that in Q2 2010 the management headed by chair of board **Alla Voloshyna** left the company. Change in the structure of company shareholders caused management turnover. In Q2 2010, **Andrey Kiselyov** who has been a manager in IC 'Energopolis' became the chairman of board. Also it should be reminded that in January, 2010 **Victor Mikolaychuk**, earlier chairman of board of IC 'Energopolis' has been appointed chairman of supervisory board of IC 'Leader Re'. By Agency estimations, managerial turnover has been successful, which fact is confirmed by UAH 21 000 of net profit obtained in H1 2010 and gross premiums growth by almost 10% compared to the similar period of 2009.

Analytical service of 'Expert-rating' Rating agency