

‘Expert-Rating’ rating agency

March 2, 2008

Quarterly actualization of rating assessment

The confirmation of **uaA+** stability rating to MIR JSIC

The Expert-Rating agency has confirmed the **a+** (**uaA** on national scale) stability rating to MIR JSIC. **a+** grade rating assessment means high level of stability with positive forecast.

Table

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

Indicators	12 months 2008	12 months 2007	Growth rate, %	Changes
Assets	61855.0	70259.24	-11.96	-8404.2
Equity capital	58631.6	58610.0	0.04	21.6
Equity ratio, %	94.78	83.42	-	11.36
Statutory fund	50050.0	50050.0	0.00	0
Gross premiums	21990.0	50365.3	-	-28375.3
Reinsurer's share in gross premiums, %	64.12	55.33	-	8.97
Indemnity	2732.9	1783.0	53.28	949.9
Indemnity ratio, %	12.42	3.54	-	8.88
Equity capital efficiency (ROE), %	0.04	7.02	-	-6.98
Net income (loss)	21.6	4116.3	-99.48	-4094.7

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 gross premiums collected in 2008 decreased by 56.34% compared with that of 2007. Such decrease of business, on Expert-Rating analysts' opinion, in no way will influence negatively the Company's solvency. The amount of collected in 2008 gross premiums has actually equaled with that in 2005-2006 years.

2. The decrease of Company's assets by 11.96% was caused by fall of its business in 2008. Company's equity practically did not change; instead it even grew by 0.04%. The equity ratio, at the end, had grown by 11.36% and reached the level of 94.78%. At the beginning of 2009 Company, on Agency analysts' opinion, had had an excess of capitalization which denotes the decrease of non-discharge of obligations risk in 2009.

3. The Company's equity capital efficiency had decreased by 7.0% and leveled 0.04% by the 2008 year-end, while the Company's net income during the year made up UAH 21.6 thousand. Under the crisis conditions company managed to end the 2008 without losses meanwhile the amount of gross indemnity increased by 53.0% while indemnity ratio reached 12.42% thus significantly exceeding in 2008 the Ukrainian market average.