

'Expert-Rating' rating agency
 May 7, 2008
 Annual actualization of rating assessment

The confirmation of rating assessment of Busin JSIC

Expert Rating RA has confirmed **a+** grade stability rating of Busin JSIC (**uaA+** grade on national scale). **a+** grade stability rating means that Company is most likely to resist impact of negative factors.

Table

Key indicators of Busin JSIC activity in 2007 (thousand UAH)

Indicators	12 months			
	2007	2006	Changes	Growth rate, %
Assets	51577.0	48398.7	3178.3	6.57
Equity capital	42416.9	40236.3	2180.6	5.42
Ratio of equity capital and assets, %	82.23	83.14	-0.91	-
Statutory fund	10125	10125	-	-
Gross premiums	40420.3	31048.8	9371.5	30.18
Re-insurer's share in gross premiums, %	77.25	68.29	8.96	-
Gross insurance payments	2704.9	2446.2	258.7	10.58
Insurance payments ratio, %	6.38	7.88	-1.50	-
Equity capital efficiency (ROE), %	5.72	1.99	3.73	-
Net income (loss)	2426.1	799.8	1626.3	203.34

Source: Company data, data of company annual reports to State Commission for Securities and Stock Market Regulation, calculations by Expert Rating

Expert-Rating points out following positive tendencies in company's development in 2007:

1. The amount of gross premiums has increased in 2007 by 30.2%. The increase of gross premiums in 2007 considerably outruns market average rate thus indicating steady growth of company's share in Ukrainian market. Nevertheless it should be taken into account that in 2007 the 87% of all premiums have been got in avian insurance. The share of premiums collected in avian insurance does not change since 2006 consequently Company remains leader in avian risks insurance in Ukraine.

2. The net income of Company in 2007 has increased by 203.0% and amounted to UAH 2.43 m. The growth rate of equity capital efficiency (ROE) changed from 1.99 to 5.72%. The considerable growth of Company's ROE resulted from both diminishing Insurance payments ratio from 7.88% in 2006 to 6.38% in 2007 and costs cut connected with the process of Company's development optimization.

3. The following events have positively impacted the Company's performance in 2007. Thus in November 2007 Busin IC became a member of 'Nuclear insurance pool' and in October 2007 BDO Balance Audit Company has conducted an international audit of the Busin IC and has acknowledged the results of IC's activity during the last three years.

Expert-Rating positively estimates the considerable growth of gross premiums, ROE and amount of net income. The base indices of Company's solvency and liquidity remain in the requirement limits and the Company's pass through the international audit denotes a high quality of cost accounting.

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