

‘Expert-Rating’ rating agency
 August, 21st, 2008
 Annual actualization of rating assessment

The confirmation of uaA+ rating to Busin JSIC

Expert-Rating agency has confirmed the **uaA+** (on national scale) stability rating to Busin JSIC.

Table

Key indicators of Busin JSIC activity in H1 2007 and H1 2008 (thousand UAH)

Indicators	H1 2008	H1 2007	Growth rate, %	Changes
Assets	51525.4	47186.5	9.20	4338.9
Equity capital	19444.5	42096.4	-53.81	-22651.9
Capital assets (depreciation value)	1043.9	29265.6	-96.43	-28221.7
Equity ratio,%	37.73	89.21	-	-51.48
Statutory fund	10125.0	10125.0	0.00	0
Gross premiums	32024.3	20045.0	59.76	11979.3
Reinsurer's share in gross premiums,%	66.91	80.54	-	-13.63
Indemnity	616.3	2064.7	-70.15	-1448.4
Indemnity ratio, %	1.92	10.30	-	-8.38
Equity capital efficiency(ROE), %	29.90	10.02	-	19.88
Net income (loss)	5814.8	2110.2	175.56	3704.6

Source: Company data, calculations by Expert Rating

Expert-Rating confirms the current stability rating to Busin JSIC on the basis of following tendencies:

1. The amount of gross premiums in H1 2008 increased by 59.76% and exceeded UAH 32m in comparison with the same period of the past year. Meanwhile the reinsurers' gross premiums share decreased from 80.54% to 66.91%. The indemnities decreased at more than 70%. The effectiveness of Company's activity is growing thus increasing its profitability.

2. The company's net income in H1 2008 has grown up by 175.56%. Over the past half year the amount of Company's net income totaled UAH 5.8 m. The equity capital efficiency has grown from 10% to 29.9%.

3. The amount of equity capital has decreased by 53.81%, equity ratio has decreased from 89.21% to 37.73%. These drops were caused by the decline of the Company's capital assets' depreciated cost by 96.43% because company has sold a part of its capital assets.

Expert-Rating positively appraises the changes in the Company's assets structure including the lowering of capital assets share at the expense of decrease of both unprofitable and nonspecialized assets. At the same time Busin JSIC preserves a considerable reserve of solvency permitting Company to be an absolute leader in Ukrainian market of aviation risks Insurance.