

Rating Agency 'Expert Rating'
March, 23 of 2010
 Quarterly rating updating

**Rating confirmation for the Public Joint Stock Company Leader Re
 (Kiev, national ID code 32830769)**

On March, 23rd, 2010 Rating agency "Expert-rating" has confirmed rating of PJSC Leader Re at level **uaAA-** according to the national scale. Rating level **uaAA-** means very high probability of that the company will resist under the influence of adverse factors in the future.

Table

**Key performance indicators of PJSC
 Reinsurance company Leader Re in 2007–2009.**

Indicators	2009	2008	2007	Change 2007-2009	Growth rate 2007-2009
Assets, th.UAH	56699.0	54 800.0	68 073.1	-11374.1	-16.71%
Shareholders equity, ths.UAH	50205.0	43 801.0	53 537.8	-3332.8	-6.23%
Shareholders equity /Assets, %	88.54%	79.93%	78.60%	9.94%	-
Authorized capital, ths.UAH	50000.0	50 000.0	50 000.0	0	0.00%
Gross premium, ths.UAH	26170	39 406.0	34 569.0	-8399	-24.30%
Reinsurer's share in gross premium, %	46.83%	26.06%	10.20%	36.63%	-
Premiums ceded for reinsurance, th.UAH	12257.0	10 269.0	3 515.9	8741.1	248.62%
Loss ratio, %	60.48%	56.26%	58.00%	2.48%	-
Indemnities, th.UAH	15829.0	22 169.0	20 063.2	-4234.2	-21.10%
ROE, %	12.75%	-22.23%	3.40%	9.35%	-
Net income (loss), ths.UAH	6404.0	(9 737.0)	1 809.9	4594.1	253.83%

Source: Company data, RA Expert Rating calculations.

Confirming company rating at so high level, the analytical service of RA Expert-rating was guided by the following:

1. Company business has suffered from the crisis. For the last two years annual volume of gross premium of the company decreased by 24.3%, and by one third in 2009 in comparison with 2008. Rate of premium decrease in 2009 was by few percents higher than averagely on the market. However loss of a part of inbound business was accompanied by some positive happenings.

The structure of the collected premiums shows steady dynamics of property kinds increase versus transport insurance (2007: share of motor hull insurance — 78.3%, share of property — 13.8%; 2009: share of motor hull insurance — 49.1%, share of property — 24.1%).

2. The company managed to finish the 2009 with 6,4 mln UAH of net profit. It should be reminded that following the results of 2008 the company Leader Re was at a loss of 9.7 mln UAH. The Agency estimates positively the return to profitable work in 2009, and also pays attention to that the net profit of the company in 2009 is by 253% exceeding the 2007 profit.

3. Because of considerable decrease of gross premium in the liabilities of the company, the share of obligations has essentially dropped. As a result, equity/assets ratio has grown from 80% (on 12.31.2008) to 88.54% (on 12/31/2009). Analysts of the Agency believe that PJSC Reinsurance Company 'Leader Re' maintains a redundant level of capitalization that characterizes the financial strategy of the company as conservative and ensuring redundant solvency level.

4. During the crisis period company management succeeded in cutting expenses and returning to profitable work. According to the Agency, it ensures the PJSC 'Reinsurance Company Leader Re' a good competitive platform for the future growth at reemergence of insurance market, first signs of which probably would appear in the second half of the year 2010.

Analytical service of RA Expert Rating