

Rating Agency 'Expert Rating'

March, 23 of 2010

Quarterly rating updating

RA Expert Rating notifies on rating confirmation for the Private Joint Stock Company IC BUSIN (Kiev, national ID code 19492371)

On March, 23rd, 2010 the Rating Agency Expert Rating has confirmed stability rating of the insurance company JSC IC BUSIN at national scale level **uaAA**. 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 JSIC BUSIN

Indicators	2009	2008	2007	Change in 2007 - 2009	Growth rate, 2007-2009
Assets, th. UAH	81270.9	72385.7	51577.0	29693.9	57.57%
Shareholders equity, th. UAH	35327.0	46344.9	42416.9	-7089.9	-16.71%
Shareholders equity /Assets, %	43.46%	64.02%	82.23%	-38.77 n.n.	-
Authorized capital, th.UAH	24400	24400	10125	14275	140.99%
Gross premium, th. UAH	86672.6	53064.4	40420.3	46252.3	114.43%
Reinsurer's share in gross premium, %	69.48%	74.53%	77.25%	-7.77 n.n.	-
Total indemnities, th. UAH	9482.4	2617.2	2704.9	6777.5	250.56%
Loss ratio, %	10.94%	4.93%	6.38%	4.56 n.n.	-
ROE, %	22.85%	40.22%	5.72%	17.13 n.n.	-
Net income (loss), th. UAH	8033.0	18641.4	2426.1	5606.9	231.11%

Source: Company data, RA Expert Rating calculations.

Based on the results of 2009 the following trends can be observed in company's development:

1. Gross premiums have grown by 1.62 times in 2009, during 2007–2009 the company doubled gross premiums amount. Despite a decrease in total gross premiums generally in the market of classical insurance more than by a quarter, IC BUSIN showed growth during heavy economic crisis. In 2009 the company has continued to increase market share in the segment of aviation risks insurance. According to the Agency, thanks to the presence of large obligators, services of IC BUSIN in the insurance of aviation risks in Ukraine have had the most attractive price parameters.

2. The company finished the year 2009 with net profit of 8.033 mln UAH. It is 2.25 times less than in 2008. Decrease in IC BUSIN net profit is continuing for three years in succession, however in the conditions of crisis in the economy and aggravation of competition in the market of aviation risks insurance such tendency should not cause concern.

3. The agency pays attention to the growth of loss ratio up to 11% and of total indemnities in 2007–2009 up to 250%. This tendency is in line with general market trend. Also we pay attention to normalization of capitalization level of the company and decrease of Shareholders equity/Assets from 64% in the beginning of 2009 to 43% in the beginning of 2010. The given tendency does not endanger the solvency of IC BUSIN. Earlier the company maintained the strategy of redundant capitalization.

Analytical service of RA Expert Rating