

13.04.2018

Rating of JSC IC “Busin” is updated

April 13, 2018 at the meeting of the Rating committee of RA “Expert-Rating” it was decided to confirm the financial stability rating of the insurer Private JSC “Insurance company “BUSIN” (19492371) at the level **uaAA** according to the national scale. Stability rating of the insurer on the international scale is **A**. The insurer with rating **uaAA** is characterized by a very high level of financial stability compared to other Ukrainian insurers. Making decision to confirm the insurer’s rating at this level, the Agency was guided by the analysis results of the Company’s statements for the 2017.

Table

Key performance indicators of JSC IC «Busin» for the 2017, (th. UAH, p.p., %)

Indicators	2017 (31.12.2017)	2016 (31.12.2016)	Change	Growth rate, %
Total assets, th. UAH	303 226	263 310	39 916	15,16%
Shareholders’ equity, th. UAH	102 608	112 386	-9 778	-8,70%
Gross liabilities, th. UAH	200 618	150 924	49 694	32,93%
Shareholders’ equity/Liabilities ratio, %	51,15%	74,47%	-23,32 p.p.	-
Cash and cash equivalents, th. UAH	122 679	91 887	30 792	33,51%
Cash and cash equivalents/ Liabilities ratio, %	61,15%	60,9%	0,27 p.p.	-
Total gross premiums, th. UAH	167 306	170 054	-2 748	-1,62%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	103 330	98 510	4 820	4,89%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	61,76%	57,93%	3,83 p.p.	-
Insurance indemnities and reimbursements, th. UAH	13 743	5 137	8 606	167,53%
Insurance indemnities/Gross premiums ratio for the period, %	8,21%	3,02%	5,19 p.p.	-
Financial result from operating activities, th. UAH	18 994	49 046	-30 052	-61,27%
ROS, %	11,35%	28,84%	-17,49 p.p.	-
Net profit (loss), th. UAH	12 062	47 051	-34 989	-74,36%
ROE, %	11,76%	41,87%	-30,11 p.p.	-

Source: data of the Company, calculations by RA «Expert-Rating»

1. Shareholders’ equity of IC “BUSIN” for the period from 31.12.2016 to 31.12.2017 has decreased by 8,7% down to UAH 102,61 mln. Gross liabilities of the Company for the same period have grown by 32,93% up to UAH 200,62 mln. As a result of multidirectional movement of these indicators, the ratio of shareholders’ equity to liabilities of the Insurer has decreased by 23,32 p.p. and on 31.12.2017 has amounted to 51,15%. The Company’s assets for the analyzed period have grown by 15,16% up to UAH 303,23 mln.

2. Cash at the Insurer’s accounts as of 31.12.2017 has amounted to UAH 122,68 mln, that is by 33,51% higher, than a year earlier. A slightly higher growth rate of the balance of cash and its equivalents compared to the increase in gross liabilities has improved the Company’s liquidity by 0,27 p.p. Therefore, the ratio of cash to liabilities of the Insurer at the end of 2017 has amounted to 61,15%.

3. For the four quarters of 2017 the Company has collected UAH 167,31 mln of gross premiums that almost identical to premiums collected for the 2016. Part of insurance premiums, belonged to the reinsurers, has grown by 4,89% compared to the 2016, and has amounted to 61,76% of gross premiums. Indemnities and reimbursements performed by the Company for the twelve months of 2017 compared to the same period of 2016 have grown in 2,68 times up to UAH 13,74 mln. The indemnities’ ratio has increased up to 8,21%.

4. The activity of IC “BUSIN” according to the results of 2017 has been profitable. Thus, the financial result from operating activity of the Company has amounted to UAH 18,99 mln that is by 61,27% less than the result for the 2016. Net profit of the Insurer has also decreased and has amounted to UAH 12,06 mln for the 2017 compared to net profit of UAH 47,05 mln for the 2016. Despite a decrease in financial results, the Agency appreciates the fact of profitable activity of the Insurer and notes the availability of good profitability indicators.

Therefore, the results analysis of IC “BUSIN” activity according to the results of the 2017 has shown: growth of liquidity, sufficient capitalization, stable level of business activity and the Company’s profitable activity. These factors enable the Agency to confirm the financial stability rating of IC “BUSIN”.

Analytical service of RA «Expert-Rating»