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PRESS-RELEASE

(Translation from Russian)

The rating of JSC IC «Busin» is confirmed at the level uaAA

July 9, 2013 Rating agency «Expert-Rating» has decided to update the financial stability rating of the insurer JSC «Insurance company «Busin» (19492371) at the level **uaAA** according to the national scale. The insurer with rating **uaAA** is characterized by a very high level of financial stability compared to other Ukrainian insurers. When confirming the rating of the insurer, the Agency was based on the analysis conclusions of the Company's activity in the Q1 of 2013.

Table

Key performance indicators of JSC IC «Busin»

Indicators	Q1 of 2013 (31.03.2013)	Q1 of 2012 (31.03.2012)	Change	Growth rate, %
Total assets, th. UAH	104956,2	93232,4	11723,8	12,57%
Shareholders' equity, th. UAH	51260	40724,1	10535,9	25,87%
Gross liabilities, th. UAH	53696,2	52508,3	1187,9	2,26%
Shareholders' equity/Liabilities ratio, %	95,46%	77,56%	17,91 p.p.	-
Cash and cash equivalents, th. UAH	35562,7	41524,6	-5961,9	-14,36%
Cash and cash equivalents/ Liabilities ratio, %	66,23%	79,08%	-12,85 p.p.	-
Total gross premiums, th. UAH	4021	17127,5	-13106,5	-76,52%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	6982,2	6145,6	836,6	13,61%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	173,64%	35,88%	137,76 p.p.	-
Insurance indemnities and reimbursements, th. UAH	433,8	11776,3	-11342,5	-96,32%
Insurance indemnities/Gross premiums ratio for the period, %	10,79%	68,76%	-57,97 p.p.	-
Financial result from operating activities, th. UAH	1941,8	-6315,8	8257,6	-
ROS, %	48,29%	-36,88%	85,17 p.p.	-
Net profit (loss), th. UAH	2438,5	-6775,9	9214,4	-
ROE, %	4,76%	-16,64%	21,40 p.p.	-

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

1. Assets of the insurer have amounted to UAH 104,956 mln as of 31.03.2013 that is by 12,57% more than the same indicator on 31.03.2012. Shareholders' equity has grown by 25,87% up to UAH 51,26 mln in the period from 31.03.2012 to 31.03.2013, and liabilities have increased by 2,26% up to UAH 53,696 mln in the same period. Therefore, at the end of the Q1 of 2013 the ratio of shareholders' equity to liabilities has amounted to 95,46% that exceeds by 17,91 p.p. the same indicator at the end of the Q1 of 2012. This ratio indicates a high level of the Company's capitalization and corresponds to a good solvency of the insurer.

2. In the period from 31.03.2012 to 31.03.2013 cash at the accounts of the Company has decreased from UAH 41,525 mln down to UAH 35,563 mln, or by 14,36%. As a result of the decrease in liquid assets and the growth of liabilities, the ratio of cash to liabilities has decreased and has amounted to 66,23% on 31.03.2013. This level of ratio corresponds to a good level of the Company's liquidity.

3. Gross premiums of the Company have amounted to UAH 4,021 mln in the first three months of current year that is by 76,52% less than the amount of premiums in the same period of 2012. At the same time, insurance indemnities have amounted to UAH 434 th. in the Q1 of 2013 that is significantly less, namely by 96,32% than insurance indemnities in the Q1 of 2012. As a result, the level of indemnities has decreased by 57,97 p.p. down to 10,79%. The proportion of insurance premiums belonged to the reinsurance companies, in opposite, has grown by 13,61% up to UAH 6,982 mln. The reason for the change of the gross business amount in IC “Busin” is shifting the date of restoring of the large aviation contracts of insurance and reinsurance at the end of last year, due to which the part of premiums came in 2012.

4. The Agency notes that according to the results of the Q1 of current year JSC IC “Busin” continues to work profitably, as indicated by the good indicators of profitability. The financial result from operating activity of the insurer has amounted to UAH 1,942 mln in the Q1 of 2013. Net profit has amounted to UAH 2,439 mln in the Q1 of 2013 against loss of UAH 6,776 mln in the Q1 of last year. The growth of income indicators has positively affected indicators of profitability: ROS has amounted to 48,29%, and ROE – 4,76%.

Summing up the analysis of the Company’s activity in the Q1 of 2013, the Agency notes the growth of the capitalization level, the considerable decrease in the level of indemnities, as well as maintaining the profitable activity in conditions of the decrease in economic activity in Ukraine. These factors justify a high level of financial stability and reliability, as well as a high level of rating of JSC “IC “Busin”.

Analytical service of RA «Expert-Rating»