

02.06.2021

## Rating of JSC IC “BUSIN” is updated

**June 2, 2021** at the meeting of the rating committee of RA “Expert-Rating” it was decided to update the financial stability rating of the insurer PrJSC “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 update the Insurer’s rating at this level, the Agency was guided by the analysis results of the Company’s activity for the first quarter of 2021 year.

Table

### Key performance indicators of JSC IC «BUSIN» for the first quarter of 2021 year, (th. UAH, p.p., %)

Indicators	Q1 of 2021 (31.03.2021)	Q1 of 2020 (31.03.2020)	Change	Growth rate, %
Total assets, th. UAH	407 833	2 693 624	-2 285 791	-84,86%
Shareholders' equity, th. UAH	139 773	130 770	9 003	6,88%
Gross liabilities, th. UAH	268 060	2 562 854	-2 294 794	-89,54%
Shareholders' equity/Liabilities ratio, %	52,14%	5,10%	47,04 p.p.	-
Cash and cash equivalents, th. UAH	148 820	115 980	32 840	28,32%
Cash and cash equivalents/ Liabilities ratio, %	55,52%	4,53%	50,99 p.p.	-
Total gross premiums, th. UAH	39 666	918	38 748	4220,92%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	38 201	8 200	30 001	365,87%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	96,31%	893,25%	-796,94 p.p.	-
Insurance indemnities and reimbursements, th. UAH	1 252	2 117	-865	-40,86%
Insurance indemnities/Gross premiums ratio for the period, %	3,16%	230,61%	-227,45 p.p.	-
Financial result from operating activities, th. UAH	3 044	8 863	-5 819	-65,65%
ROS, %	7,67%	965,47%	-957,80 p.p.	-
Net profit (loss), th. UAH	320	27 031	-26 711	-98,82%
ROE, %	0,23%	20,67%	-20,44 p.p.	-

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

1. Throughout the period from 31.03.2020 to 31.03.2021 shareholders' equity of JSC IC “BUSIN” has grown by 6,88% up to UAH 139,77 mln., and its gross liabilities have reduced by 89,54% down to UAH 268,06 mln. A significant decrease in liabilities of JSC IC “BUSIN” against the background of the increase in its shareholders' equity has resulted in a significant growth of the ratio between shareholders' equity and liabilities of the insurer. In particular, this indicator throughout the analyzed period has grown by 47,04 p.p. and as at the beginning of the second quarter of 2021 has amounted to 52,14% that indicates a good level of JSC IC “BUSIN” provision with shareholders' equity.

2. For the period from 31.03.2020 to 31.03.2021 the volume of cash and its equivalents at JSC IC “BUSIN” has grown by 28,32% up to UAH 148,82 mln. Thus, considering a noticeable reduction of the Insurer's liabilities, the Company's ratio between cash and liabilities has grown by

50,99 p.p. up to 55,52% that indicates a good level of JSC IC “BUSIN” provision with high liquid assets.

3. For the first quarter of 2021 year JSC IC “BUSIN” has received UAH 39,67 mln. of gross premiums that by UAH 38,75 mln. has exceeded its volume for the first quarter of 2020 year. Significant fluctuations of the Insurer’s business volumes are related to the specifics of its activities: JSC IC “BUSIN” specializes in large risk insurance, in particular in the aviation segment. Thus, for the first quarter of 2021 the receipts of gross premiums from compulsory civil aviation insurance have grown up to UAH 13,68 mln, while for the first quarter of 2020 the total gross premiums received by the Insurer amounted to only UAH 0,92 mln. In addition, in the first quarter of 2021 JSC IC BUSIN significantly increased the receipt of gross premiums from voluntary types of insurance, in particular: insurance against fire risks and natural disasters (premiums amounted to UAH 10,7 mln), as well as insurance of liability to third parties (UAH 10,61 mln). The Agency appreciates a considerable increase in the Insurer’s business volumes.

4. The activity of JSC IC “BUSIN” has been profitable in the analyzed period. Thus, the Insurer’s financial result from operating activity for the first three months of 2021 year has amounted to UAH 3,04 mln., and its net profit has amounted to UAH 0,32 mln. Despite a decrease in financial results in the first quarter of 2021 compared to the same period of 2020, the Agency appreciates a profitable activity of JSC IC “BUSIN” in conditions of quarantine restrictions.

5. The Agency notes that according to the reporting provided by JSC IC “BUSIN” as of 31.03.2021 the Insurer complied with the criteria established by law and standards of solvency and capital adequacy, liquidity, profitability, asset quality and riskiness of the insurer's operations.

Therefore, the analysis of JSC IC “BUSIN” performance results for the first quarter of 2021 showed: good level of covering liabilities with shareholders’ equity and high liquid assets, significant increase in business volumes and profitable activity of the Insurer.

*Analytical service of RA «Expert-Rating»*