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Rating of JSC IC "BUSIN" is updated

July 12, 2024 at the meeting of the rating committee of RA "Expert-Rating", a decision was made to update the financial stability rating of the insurer Private Joint-Stock Company "Insurance Company "BUSIN" (EDRPOU code 19492371) at the level of **uaAA** on the national scale. Stability rating of the insurer on the international scale is **A.** The insurer with the **uaAA** rating is characterized by a very high level of financial stability compared to other Ukrainian insurers. When making a decision to update the rating of the insurer at this level, the Agency was guided by the analysis results of the activity of JSC SC "BUSIN" for the first quarter of 2024 year.

Table

Key performance indicators of JSC IC "BUSIN", th. UAH, p.p., %

Indicators	QI of 2024 (31.03.2024)	QI of 2023 (31.03.2023)	Change	Growth rate, %
Total assets, th. UAH	579 613	543 675	35 938	6,61%
Shareholders' equity, th. UAH	214 150	205 577	8 573	4,17%
Gross liabilities, th. UAH	365 463	338 098	27 365	8,09%
Shareholders' equity/Liabilities ratio, %	58,60%	60,80%	-2,20 p.p.	-
Cash and cash equivalents, th. UAH	281 342	231 877	49 465	21,33%
Cash and cash equivalents/Liabilities ratio, %	76,98%	68,58%	8,40 p.p.	-
Total gross premiums, th. UAH	75 025	39 163	35 862	91,57%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	63 962	30 519	33 443	109,58%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	85,25%	77,93%	7,32 p.p.	-
Insurance indemnities and reimbursements, th. UAH	6 303	602	5 701	947,01%
Indemnities/Gross premiums ratio, %	8,40%	1,54%	6,86 p.p.	-
Financial result from operating activities, th. UAH	4 182	20 086	-15 904	-79,18%
ROS, %	5,57%	51,29%	-45,72 p.p.	-
Net profit (loss), th. UAH	2 202	20 123	-17 921	-89,06%
ROE, %	1,03%	9,79%	-8,76 p.p.	-

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

1. Shareholders' equity of JSC IC "BUSIN" for the period from 31.03.2023 to 31.03.2024 grew by 4.17% and amounted to UAH 214.15 million. The growth of the Insurer's equity in the analyzed period was due to an increase in the registered authorized capital. The Agency reminds that on March 31, 2023, the shareholders of JSC IC "BUSIN" approved a decision to increase the authorized capital from UAH 73.2 million to UAH 122 million at the expense of retained earnings. Gross liabilities of the Insurer for the period from 31.03.2023 to 31.03.2024 increased by 8.09% to UAH 365.46 million. As a result of the greater growth rates of gross liabilities there was a slight decrease in the level of covering liabilities with shareholders' equity of the insurer: by 2.20 p.p. down to 58.60%. Thus, as of the beginning of the second quarter of 2024 year, JSC IC "BUSIN" was well provided with shareholders' equity.

2. The amount of cash and its equivalents on the accounts of JSC IC “BUSIN” grew by 21.33% and as of March 31, 2024 amounted to UAH 281.34 mln, and the level of liabilities coverage with cash of JSC IC “BUSIN” increased by 8.40 p.p. up to 76.98%. Thus, as of the beginning of the second quarter of 2024 year JSC IC “BUSIN” was very well provided with high liquidity assets.

3. Gross premiums of JSC IC “BUSIN” for the first quarter of 2024 year amounted to UAH 75.03 mln, having increased in 1,92 times compared to the same period of 2023 year. The Agency appreciates a significant increase of gross premiums of JSC IC “BUSIN” under conditions of full scale military aggression of rf and ongoing martial law in Ukraine.

4. The activities of JSC IC “BUSIN” in the analyzed period were profitable, although its financial results decreased compared to the first quarter of 2023 year. In particular, the profit from operating activity of the Insurer for the first three months of 2024 year amounted to UAH 4.18 mln that was by 79.18% less than for the same period of 2023 year, and its profit amounted to UAH 2.2 mln that was by 89.06% less than for the first quarter of 2023 year.

5. The Insurer confirmed to the Agency that as of March 31, 2024, JSC IC “BUSIN” complied with the requirements to solvency and insurer’s assets according to “Regulations on establishing requirements for ensuring the solvency and investment activities of the insurer”.

Therefore, the analysis of the results of JSC IC “BUSIN” for the first quarter of 2024 year indicates a good level of coverage of the insurer’s liabilities with its shareholders’ equity, a high level of provision with high liquidity assets, significant volumes of gross premiums, as well as profitable activity of the Insurer.

The agency notes that the current rating level determines the probability of default in the case of the insurer's work under normal circumstances and does not take into account force majeure circumstances, as well as the effect of other force majeure circumstances.

Analytical service of RA «Expert-Rating»