

31.10.2019

Rating of JSC IC “BUSIN” is updated

October 31, 2019 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 statements for the nine months of 2019.

Table

Key performance indicators of JSC IC «BUSIN» for the 9 months of 2019, (th. UAH, p.p., %)

Indicators	9 months of 2019 (30.09.2019)	9 months of 2018 (30.09.2018)	Change	Growth rate, %
Total assets, th. UAH	191 201	145 912	45 289	31,04%
Shareholders' equity, th. UAH	134 120	92 649	41 471	44,76%
Gross liabilities, th. UAH	57 081	53 263	3 818	7,17%
Shareholders' equity/Liabilities ratio, %	234,96%	173,95%	61,01 p.p.	-
Cash and cash equivalents, th. UAH	87 711	79 576	8 135	10,22%
Cash and cash equivalents/ Liabilities ratio, %	153,66%	149,40%	4,26 p.p.	-
Total gross premiums, th. UAH	83 551	82 353	1 198	1,45%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	34 018	34 625	-607	-1,75%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	40,72%	42,04%	-1,32 p.p.	-
Insurance indemnities and reimbursements, th. UAH	6 382	73 763	-67 381	-91,35%
Insurance indemnities/Gross premiums ratio for the period, %	7,64%	89,57%	-81,93 p.p.	-
Financial result from operating activities, th. UAH	49 148	3 951	45 197	1 143,94%
ROS, %	58,82%	4,80%	54,02 p.p.	-
Net profit (loss), th. UAH	34 178	1 139	33 039	2 900,70%
ROE, %	25,48%	1,23%	24,25 p.p.	-

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

1. For the period from 30.09.2018 to 30.09.2019 assets of JSC IC “BUSIN” have increased by 31,04% up to UAH 191,201 mln. The Company’s shareholders’ equity for the same period has grown by 44,76% up to UAH 134,12 mln., and gross liabilities have shown the increase by 7,17% up to UAH 57,08 mln. As a result of the greater growth rates of the Insurer’s shareholders’ equity there has been a significant increase in the shareholders’ equity to liabilities ratio of the Insurer, which has increased by 61,01 p.p. up to 234,96%. Therefore, JSC IC “BUSIN” as at the end of the third quarter of 2019 has possessed a very good level of the shareholders’ equity provision.

2. The balance of cash and its equivalents at the accounts of JSC IC “BUSIN” as of 30.09.2019 has amounted to UAH 87,71 mln that is by 10,22% higher, than on 30.09.2018. A greater increase of cash compared to the Insurer’s gross liabilities in the analyzed period has resulted in the growth of the Company’s cash to liabilities ratio by 4,26 p.p. up to 153,66% that indicates a very high level of JSC IC “BUSIN” provision with liquid assets.

3. Gross premiums collected by JSC IC “BUSIN” for the first nine months of 2019, have amounted to UAH 83,55 mln that is by 1,45% more than for the same period of 2018. Part of insurance premiums, belonged to the reinsurers, has decreased by 1,75% down to UAH 34,02 mln., that amounts to 40,72% of gross premiums. Insurance indemnities and compensations, performed by the Company for the three quarters of 2019, have decreased by 91,35% compared to the volume of insurance indemnities and compensations for the three quarters of the previous year, and have amounted to UAH 6,38 mln. The Agency reminds that significant fluctuations of gross premiums and indemnities at JSC IC “BUSIN” are related to the Company’s specialization in insurance of large risks, including aviation segment. Thus, the key insurance types of JSC IC “BUSIN” according to the results of the 9 months of 2019 have been: mandatory civil aviation insurance, voluntary air transport insurance and liability insurance of air transport owners.

4. The financial results of JSC IC “BUSIN” have significantly improved in the analyzed period. Thus, for the three quarters of 2019 the Company has received profit from operating activity in the amount of UAH 49,15 mln that in 12,44 times more than for the three quarters of 2018. Net profit of the Insurer for the first nine months of 2019 have increased in 30 times compared to net profit for the same period of 2018 and have amounted to UAH 34,18 mln. The increase of net and operating profit of JSC IC “BUSIN” have positively affected the Insurer’s profitability indicators.

Therefore, the results analysis of JSC IC “BUSIN” activity for the nine months of 2019 has shown: very high levels of the Insurer’s provision with shareholders’ equity and liquid assets, as well as a considerable increase of the Company’s net and operating profit.

Analytical service of RA «Expert-Rating»