

02.04.2020

## Rating of JSC IC “BUSIN” is updated

**April 2, 2020** 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 2019 year.

Table

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

Indicators	2019 year (31.12.2019)	2018 year (31.12.2018)	Change	Growth rate, %
Total assets, th. UAH	311 242	292 364	18 878	6,46%
Shareholders' equity, th. UAH	113 864	108 347	5 517	5,09%
Gross liabilities, th. UAH	197 378	184 017	13 361	7,26%
Shareholders' equity/Liabilities ratio, %	57,69%	58,88%	-1,19 p.p.	-
Cash and cash equivalents, th. UAH	94 383	88 301	6 082	6,89%
Cash and cash equivalents/ Liabilities ratio, %	47,82%	47,99%	-0,17 p.p.	-
Total gross premiums, th. UAH	178 100	184 705	-6 605	-3,58%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	99 419	110 038	-10 619	-9,65%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	55,82%	59,57%	-3,75 p.p.	-
Insurance indemnities and reimbursements, th. UAH	7 043	73 925	-66 882	-90,47%
Insurance indemnities/Gross premiums ratio for the period, %	3,95%	40,02%	-36,07 p.p.	-
Financial result from operating activities, th. UAH	32 650	26 236	6 414	24,45%
ROS, %	18,33%	14,20%	4,13 p.p.	-
Net profit (loss), th. UAH	17 001	16 628	373	2,24%
ROE, %	14,93%	15,35%	-0,42 p.p.	-

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

1. For the period from 31.12.2018 to 31.12.2019 assets of JSC IC “BUSIN” have grown by 6,46% up to UAH 311,24 mln. The Company’s shareholders’ equity for the same period has increased by 5,09% up to UAH 113,86 mln., and gross liabilities – by 7,26% up to UAH 197,38 mln. Such growth rates of the Insurer’s shareholders’ equity and liabilities have resulted in a slight correction of the level of provision with shareholders’ equity, which has decreased by 1,19 p.p. down to 57,69%. Therefore, JSC IC “BUSIN” as at the end of the 2019 year has possessed a good indicator of the liabilities provision with shareholders’ equity.

2. The volume of cash and its equivalents at JSC IC “BUSIN” throughout the analyzed period has grown by 6,89% and as of 31.12.2019 has amounted to UAH 94,38 mln. The indicator of the Company’s cash to liabilities ratio for the period from 31.12.2018 to 31.12.2019 has decreased by 0,17 p.p. down to 47,82%, that indicates a good level of the Insurer’s provision with liquid assets.

3. Gross premiums received by JSC IC “BUSIN” for the 12 months of 2019, have amounted to UAH 178,1 mln that is by 3,58% less than for the same period of 2018. Part of insurance premiums, belonged to the reinsurers, has decreased by 9,65% down to UAH 99,42 mln., that amounts to 55,82% of gross premiums, received by the Insurer. Insurance indemnities and compensations, performed by the Company for the 2019 year, have decreased by 90,47% compared to the volume of insurance indemnities and compensations for the previous year, and have amounted to UAH 7,04 mln. The Agency notes 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 performance results of the 2019 year have been: mandatory civil aviation insurance, voluntary air transport insurance and liability insurance of air transport owners.

4. The activity of JSC IC “BUSIN” in the analyzed period has been profitable. Thus, according to the performance results in 2019 the Insurer has received profit from operating activity in the amount of UAH 32,65 mln that by 24,45% has exceeded this indicator for the 2018 year. Net profit of the Insurer for the 12 months of 2019 has increased by 2,24% up to UAH 17 mln. compared to net profit for the same period of 2018. High indicators of net and operating profit of JSC IC “BUSIN” have provided good profitability indicators of the Insurer.

Therefore, the results analysis of JSC IC “BUSIN” activity for the 2019 year has shown: good level of the Insurer’s provision with shareholders’ equity and liquid assets, as well as high indicators of the Company’s net and operating profit.

*Analytical service of RA «Expert-Rating»*