

09.04.2021

Rating of JSC IC “BUSIN” is updated

April 9, 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 2020 year.

Table

Key performance indicators of JSC IC «BUSIN» for the 2020 year, (th. UAH, p.p., %)

Indicators	2020 year (31.12.2020)	2019 year (31.12.2019)	Change	Growth rate, %
Total assets, th. UAH	381 185	311 242	69 943	22,47%
Shareholders' equity, th. UAH	152 612	111 201	41 411	37,24%
Gross liabilities, th. UAH	228 573	200 041	28 532	14,26%
Shareholders' equity/Liabilities ratio, %	66,77%	55,59%	11,18 p.p.	-
Cash and cash equivalents, th. UAH	151 196	94 383	56 813	60,19%
Cash and cash equivalents/ Liabilities ratio, %	66,15%	47,18%	18,97 p.p.	-
Total gross premiums, th. UAH	172 380	178 100	-5 720	-3,21%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	105 141	99 419	5 722	5,76%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	60,99%	55,82%	5,17 p.p.	-
Insurance indemnities and reimbursements, th. UAH	7 995	7 043	952	13,52%
Insurance indemnities/Gross premiums ratio for the period, %	4,64%	3,95%	0,69 p.p.	-
Financial result from operating activities, th. UAH	44 271	32 650	11 621	35,59%
ROS, %	25,68%	18,33%	7,35 p.p.	-
Net profit (loss), th. UAH	51 415	17 001	34 414	202,42%
ROE, %	33,69%	15,29%	18,40 p.p.	-

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

1. Shareholders' equity of JSC IC “BUSIN” for the period from 31.12.2019 to 31.12.2020 has grown by 37,24% up to UAH 152,61 mln. The key source of the Insurer’s shareholders’ equity increase in 2020 year became retained earnings, which grew by 37,24% up to UAH 58,41 mln. for the analyzed period. At the same time, the Company’s gross liabilities have increased by 14,26% up to UAH 228,57 mln. The greater growth rates of shareholders’ equity have resulted in the increase of the ratio between shareholders’ equity and liabilities of JSC IC “BUSIN”: by 11,18 p.p. up to 66,77%. Therefore, as at the beginning of 2021 year the Insurer has been well provided with shareholders’ equity.

2. For the period from 31.12.2019 to 31.12.2020 the volume of cash and its equivalents at JSC IC “BUSIN” has grown by 60,19% up to UAH 151,2 mln. Against the background of a significant increase in cash compared to the Insurer’s gross liabilities, the indicator of covering cash with the Company’s liabilities has grown by 18,97 p.p. up to 66,15% that indicates a good level of JSC IC “BUSIN” provision with high liquid assets.

3. For the 2020 year JSC IC “BUSIN” has received UAH 172,38 mln. of gross premiums that is only by 3,21% less than for the 2019 year. The adjustment of the Insurer's business volumes was due to the reduction of air traffic volumes due to the introduction of restrictions aimed at reducing the spread of the coronavirus epidemic, while JSC IC “BUSIN” specializes in large risk insurance, in particular in the aviation segment. Insurance indemnities and reimbursements, performed by JSC IC “BUSIN” for the 2020 year, have increased by 13,52% compared to the indicator for the 2019 year. At the same time, the indemnities' level has grown by 0,69 p.p. up to 4,64% according to the results of the 2020 year.

4. The financial results of JSC IC “BUSIN” have improved in the analyzed period. In particular, the Insurer's financial result from operating activity for the 2020 year has grown by 35,59% up to UAH 44,27 mln. compared to the 2019 year, and its profit has increased more than in thrice and has amounted to UAH 51,42 mln. Significant indicators of net and operating profit of JSC IC “BUSIN” have provided the Insurer's high indicators of ROS and ROE.

5. The Agency notes that according to the reporting provided by JSC IC “BUSIN” as of 31.12.2020 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 results analysis of JSC IC “BUSIN” activity for the 2020 year has shown: good level of covering liabilities by shareholders' equity and high liquid assets, as well as significant volumes of the Insurer's net and operating profit.

Analytical service of RA «Expert-Rating»