

04.06.2019

Rating of JSC IC “BUSIN” is updated

June 4, 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 first quarter of 2019.

Table

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

Indicators	I quarter of 2019 (31.03.2019)	I quarter of 2018 (31.03.2018)	Change	Growth rate, %
Total assets, th. UAH	281 643	266 501	15 142	5,68%
Shareholders' equity, th. UAH	109 989	74 846	35 143	46,95%
Gross liabilities, th. UAH	171 654	191 655	-20 001	-10,44%
Shareholders' equity/Liabilities ratio, %	64,08%	39,05%	25,02 p.p.	-
Cash and cash equivalents, th. UAH	92 994	90 961	2 033	2,24%
Cash and cash equivalents/ Liabilities ratio, %	54,18%	47,46%	6,71 p.p.	-
Total gross premiums, th. UAH	35 340	16 058	19 282	120,08%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	11 176	13 897	-2 721	-19,58%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	31,62%	86,54%	-54,92 p.p.	-
Insurance indemnities and reimbursements, th. UAH	4 312	28 838	-24 526	-85,05%
Insurance indemnities/Gross premiums ratio for the period, %	12,20%	179,59%	-167,39 p.p.	-
Financial result from operating activities, th. UAH	14 522	-9 719	24 241	-
ROS, %	41,09%	-60,52%	101,62 p.p.	-
Net profit (loss), th. UAH	10 488	-16 161	26 649	-
ROE, %	9,54%	-21,59%	31,13 p.p.	-

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

1. For the period from 31.03.2018 to 31.03.2019 assets of IC “BUSIN” have increased by 5,68% up to UAH 281,64 mln. The Company’s shareholders’ equity for the same period has grown by 46,95% and has amounted to UAH 109,99 mln., and gross liabilities, on the contrary, have decreased by 10,44% down to UAH 171,65 mln. The result of such indicators movement has become the increase in the shareholders’ equity to liabilities at IC “BUSIN” by 25,02 p.p. up to 64,08%.

2. The balance of cash and its equivalents at the accounts of IC “BUSIN” as of 31.03.2019 has amounted to UAH 92,99 mln that is by 2,24% higher, than on 31.03.2018. The increase of cash against the background of the decrease in gross liabilities of the Insurer in the analyzed period has resulted in the growth of the Company’s cash to liabilities ratio by 6,71 p.p. up to 54,18% that indicates a good level of the Insurer’s provision with liquid assets.

3. The Insurer’s business activity has grown in the analyzed period. Besides, gross premiums collected by IC “BUSIN” for the first quarter of 2019, have grown in 2,2 times up to UAH 35,34 mln compared to the first quarter of 2018. Part of insurance premiums, belonged to the reinsurers, has

decreased by 19,58% and has amounted to UAH 11,18 mln., that amounts to 31,62% of gross premiums. At the same time, insurance indemnities and compensations, performed by the Company for the three months of 2019, have decreased by 85,05% compared to the indicator for the first quarter of the previous year, and have amounted to UAH 4,31 mln. The Agency draws attention that significant fluctuations of gross premiums and indemnities at IC “BUSIN” are related to the Company’s specialization in insurance of large risks, including aviation segment. Thus, the key insurance types of IC “BUSIN” according to the results of the first quarter of 2019 have been: mandatory civil aviation insurance, voluntary air transport insurance and voluntary liability insurance of air transport owners.

4. The increase in business activity and the lack of large insurance indemnities in the analyzed period have resulted in that the activity of IC “BUSIN” in the first quarter of 2019 has been profitable. Thus, the Company has received profit from operating activity in the amount of UAH 14,52 mln and net profit in the amount of UAH 10,45 mln, while the Insurer has finished the same period of last year with loss. The result of profitable activity of IC “BUSIN” has become the improvement of the Company’s profitability indicators.

Therefore, the results analysis of IC “BUSIN” activity in the first quarter of 2019 has shown: improvement of liquidity and capitalization levels, noticeable growth of gross premiums and profitable activity of the Insurer. These factors enable the Agency to confirm the financial stability rating of the insurer IC “BUSIN”.

Analytical service of RA «Expert-Rating»