

29.05.2020

Rating of JSC IC “BUSIN” is updated

May 29, 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 first quarter of 2020 year.

Table

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

Indicators	QI of 2020 (31.03.2020)	QI of 2019 (31.03.2019)	Change	Growth rate, %
Total assets, th. UAH	2 693 624	281 643	2 411 981	856,40%
Shareholders' equity, th. UAH	130 770	109 989	20 781	18,89%
Gross liabilities, th. UAH	2 562 854	171 654	2 391 200	1 393,03%
Shareholders' equity/Liabilities ratio, %	5,10%	64,08%	-58,98 p.p.	-
Cash and cash equivalents, th. UAH	115 980	92 994	22 986	24,72%
Cash and cash equivalents/ Liabilities ratio, %	4,53%	54,18%	-49,65 p.p.	-
Total gross premiums, th. UAH	918	35 340	-34 422	-97,40%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	8 200	11 176	-2 976	-26,63%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	893,25%	31,62%	861,63 p.p.	-
Insurance indemnities and reimbursements, th. UAH	2 117	4 312	-2 195	-50,90%
Insurance indemnities/Gross premiums ratio for the period, %	230,61%	12,20%	218,41 p.p.	-
Financial result from operating activities, th. UAH	8 863	14 522	-5 659	-38,97%
ROS, %	965,47%	41,09%	924,38 p.p.	-
Net profit (loss), th. UAH	27 031	10 488	16 543	157,73%
ROE, %	20,67%	9,54%	11,13 p.p.	-

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

1. For the period from 31.03.2019 to 31.03.2020 assets of JSC IC “BUSIN” have grown in 9,56 times up to UAH 2,694 bln. The Company’s shareholders’ equity for the same period has shown the increase by 18,89% up to UAH 130,77 mln., and gross liabilities have increased in 14,93 times up to UAH 2,563 bln. As a result, the shareholders’ equity/liabilities ratio has decreased by 58,98 p.p. down to 5,10%. Therefore, as at the end of the first quarter of 2020 year the capitalization level of JSC IC “BUSIN” was low.

2. The volume of cash and its equivalents at JSC IC “BUSIN” throughout the analyzed period has grown by 24,72% and as at the end of the first quarter of 2020 year has amounted to UAH 115,98 mln. A considerable increase of liabilities has resulted in the reduction of the Company’s cash to liabilities ratio for the period from 31.03.2019 to 31.03.2020 by 49,65 p.p. down to 4,53%.

3. Business volumes of JSC IC “BUSIN” have significantly reduced in the analyzed period. The Insurer for the first three months of 2020 have received UAH 0,92 mln of gross premiums that is by 97,40% less than for the same period of 2019. Part of insurance premiums, belonged to the

reinsurers, has decreased by 26,63% down to UAH 8,2 mln., and according to the results of the quarter in 8,93 times has exceeded gross premiums, received by the Insurer. Insurance indemnities and reimbursements, performed by JSC IC “BUSIN” for the first quarter of 2020 year, have decreased more than in twice compared to the indicator for the first quarter of 2019 year. 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.

4. The activity of JSC IC “BUSIN” in the analyzed period has been profitable. Thus, according to the performance results in the first quarter of 2020 year the Insurer’s profit from operating activity has amounted to UAH 8,86 mln that is by 38,97% less than for the same period of 2019 year. Net profit of the Company for the first three months of 2020 has grown in 2,58 times up to UAH 27,03 mln. compared to net profit for the first three months of 2019. High indicators of net and operating profit of JSC IC “BUSIN” have provided good indicators of the Insurer’s ROS and ROE.

Therefore, the results analysis of JSC IC “BUSIN” activity for the first quarter of 2020 year has shown: high indicators of the Insurer’s net and operating profit against the background of the reduction of its business volumes and the fall of capitalization and liquidity indicators.

Analytical service of RA «Expert-Rating»