

06.08.2019

## Rating of JSC IC “BUSIN” is updated

**August 6, 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 half of 2019.

Table

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

Indicators	HI of 2019 (30.06.2019)	HI of 2018 (30.06.2018)	Change	Growth rate, %
Total assets, th. UAH	246 299	220 927	25 373	11,48%
Shareholders' equity, th. UAH	122 249	85 862	36 387	42,38%
Gross liabilities, th. UAH	124 050	135 065	-11 014	-8,15%
Shareholders' equity/Liabilities ratio, %	98,55%	63,57%	34,98 p.p.	-
Cash and cash equivalents, th. UAH	95 035	94 560	474,5	0,50%
Cash and cash equivalents/ Liabilities ratio, %	76,61%	70,01%	6,60 p.p.	-
Total gross premiums, th. UAH	71 682	56 031	15 650	27,93%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	22 879	23 381	-501	-2,14%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	31,92%	41,73%	-9,81 p.p.	-
Insurance indemnities and reimbursements, th. UAH	4 469	29 688	-25 218	-84,95%
Insurance indemnities/Gross premiums ratio for the period, %	6,24%	52,98%	-46,74 p.p.	-
Financial result from operating activities, th. UAH	33 399	2 485	30 914	1243,97%
ROS, %	46,59%	4,44%	42,15 p.p.	-
Net profit (loss), th. UAH	22 530	-5 434	27 964	-
ROE, %	18,43%	-6,33%	24,76 p.p.	-

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

1. For the period from 30.06.2018 to 30.06.2019 assets of IC “BUSIN” have increased by 11,48% up to UAH 246,3 mln. The Company’s shareholders’ equity for the same period has grown by 42,38% and has amounted to UAH 122,25 mln., and gross liabilities, on the contrary, have decreased by 8,15% down to UAH 124,05 mln. The result of such indicators movement has become the increase in the shareholders’ equity to liabilities ratio of the Insurer by 34,98 p.p. up to 98,55%. Therefore, JSC IC “BUSIN” as at the end of the second quarter of 2019 has been very well provided with shareholders’ equity.

2. The balance of cash and its equivalents at the accounts of IC “BUSIN” as of 30.06.2019 has amounted to UAH 95,04 mln that is by 0,5% higher, than on 30.06.2018. A slight 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 6,6 p.p. up to 76,61% that indicates a high 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 JSC IC "BUSIN" for the first half of 2019, have amounted to UAH 71,68 mln that is by 27,93% more compared to the same period of 2018. Part of insurance premiums, belonged to the reinsurers, has decreased by 2,14% down to UAH 22,88 mln., that amounts to 31,92% of gross premiums. Insurance indemnities and compensations, performed by the Company for the two quarters of 2019, have decreased by 84,95% compared to the indicator for the two quarters of the previous year, and have amounted to UAH 4,47 mln. The Agency draws attention 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 first half of 2019 have been: mandatory civil aviation insurance, voluntary air transport insurance and voluntary liability insurance of air transport owners.

4. The financial results of JSC IC "BUSIN" have improved in the analyzed period. Thus, for the first half of 2019 the Company has received profit from operating activity in the amount of UAH 33,4 mln that in 13,4 times more than for the first half of 2018. Net profit of the Insurer for the first six months of 2019 have amounted to UAH 22,53 mln compared to loss for the analyzed period of 2018. Significant volumes 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 in the first half of 2019 has shown: high liquidity and capitalization levels, growth of business activity and significant volumes of net and operating profit.

*Analytical service of RA «Expert-Rating»*