

10.11.2023

Rating of JSC IC “BUSIN” is updated

November 10, 2023 at the meeting of the rating committee of RA "Expert-Rating", a decision was made to update the financial stability rating of the insurer Private Joint-Stock Company "Insurance Company "BUSIN" (EDRPOU code 19492371) at the level of **uaAA** on the national scale. Stability rating of the insurer on the international scale is **A**. The insurer with the **uaAA** rating is characterized by a very high level of financial stability compared to other Ukrainian insurers. When making a decision to update the rating of the insurer at this level, the Agency was guided by the results of the analysis of JSC SC "BUSIN" for the nine months of 2023 year.

Table

Key performance indicators of JSC IC “BUSIN”, th. UAH, p.p., %

Indicators	9 months of 2023 (30.09.2023)	9 months of 2022 (30.09.2022)	Change	Growth rate, %
Total assets, th. UAH	494 448	421 839	72 609	17,21%
Shareholders' equity, th. UAH	237 698	180 522	57 176	31,67%
Gross liabilities, th. UAH	256 750	241 317	15 433	6,40%
Shareholders' equity/Liabilities ratio, %	92,58%	74,81%	17,77 p.p.	-
Cash and cash equivalents, th. UAH	266 009	197 890	68 119	34,42%
Cash and cash equivalents/Liabilities ratio, %	103,61%	82,00%	21,61 p.p.	-
Total gross premiums, th. UAH	172 647	151 864	20 783	13,69%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	110 507	105 182	5 325	5,06%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	64,01%	69,26%	-5,25 p.p.	-
Insurance indemnities and reimbursements, th. UAH	717	649	68	10,48%
Indemnities/Gross premiums ratio, %	0,42%	0,43%	-0,01 p.p.	-
Financial result from operating activities, th. UAH	61 680	11 269	50 411	447,34%
ROS, %	35,73%	7,42%	28,31 p.p.	-
Net profit (loss), th. UAH	50 297	41 863	8 434	20,15%
ROE, %	21,16%	23,19%	-2,03 p.p.	-

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

1. Shareholders' equity of JSC IC “BUSIN” for the period from 30.09.2022 to 30.09.2023 grew by 31.67% and amounted to UAH 237.7 million. The growth of the Insurer's equity in the analyzed period was due to an increase in retained earnings in its structure, as well as an increase in the registered authorized capital. The Agency reminds that on March 31, 2023, the shareholders of JSC IC “BUSIN” approved a decision to increase the authorized capital from UAH 73.2 million to UAH 122 million at the expense of retained earnings. Gross liabilities of the Insurer for the period from September 30, 2022 to September 30, 2023 increased by 6,40% to UAH 256.75 million. A significant increase in the shareholders' equity of JSC IC “BUSIN” led to an increase in the level of coverage of the insurer's liabilities by shareholders' equity by 17,77 p.p. to 92,58%. Thus, as of the beginning of the fourth quarter of 2023, JSC IC “BUSIN” was well provided with shareholders' equity.

2. The amount of cash and its equivalents in the accounts of JSC IC “BUSIN” as of September 30, 2023 compared to September 30, 2022 grew by 34,42% to UAH 266.01 million. The higher growth rates of cash compared to gross liabilities resulted in the improvement of the level of liabilities coverage with cash of JSC IC “BUSIN”, which grew by 21,61 p.p. to 103,61%. Thus, as of the beginning of the fourth quarter of 2023 JSC IC “BUSIN” was very well provided with high liquidity assets.

3. Gross premiums of JSC IC “BUSIN” for the nine months of 2023 compared to the same period of 2022 increased by 13,69% and amounted to UAH 172.65 million. The Agency positively assesses the growth of the Insurer's gross premiums and notes that the significant fluctuations in the business volumes of JSC IC “BUSIN” are related to the specifics of the Insurer's activities, namely its specialization in the insurance of large risks (in particular in the aviation segment), which are characterized by significant fluctuations of volumes of premiums.

4. The activities of JSC IC “BUSIN” in the analyzed period were profitable, and its financial results demonstrated a significant growth. In particular, the profit from operating activity of the Insurer for the nine months of 2023 compared to the same period of 2022 grew in 5,5 times and amounted to UAH 61.68 million, and its net profit increased by 20,15% to UAH 50.3 million.

5. The Agency notes that according to the reporting provided by JSC IC “BUSIN”, as of September 30, 2023, the Insurer complied with the criteria and standards of solvency and capital adequacy, liquidity, profitability, asset quality and riskiness of the insurer's operations set by the law.

Therefore, the analysis of the results of JSC IC “BUSIN” for the nine months of 2023 indicates a high level of coverage of the insurer's liabilities with its shareholders' equity, a very good level of provision with high liquidity assets, a growth in business volumes and a significant increase in the volumes of net and operating profits of the Insurer.

The agency notes that the current rating level determines the probability of default in the case of the insurer's work under normal circumstances and does not take into account force majeure circumstances, as well as the effect of other force majeure circumstances.

Analytical service of RA «Expert-Rating»