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Rating of JSC IC "BUSIN" is updated

December 30, 2024 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 analysis results of the activity of JSC SC "BUSIN" for the nine months of 2024 year.

Table

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

Indicators	9 months of 2024 (30.09.2024)	9 months of 2023 (30.09.2023)	Change	Growth rate, %
Total assets, th. UAH	298 706	494 448	-195 742	-39,59%
Shareholders' equity, th. UAH	161 156	237 698	-76 542	-32,20%
Gross liabilities, th. UAH	137 550	256 750	-119 200	-46,43%
Shareholders' equity/Liabilities ratio, %	117,16%	92,58%	24,58 p.p.	-
Cash and cash equivalents, th. UAH	322 196	266 009	56 187	21,12%
Cash and cash equivalents/Liabilities ratio, %	234,24%	103,61%	130,63 p.p.	-
Total gross premiums, th. UAH	160 593	172 647	-12 054	-6,98%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	178 299	110 507	67 792	61,35%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	111,03%	64,01%	47,02 p.p.	-
Insurance indemnities and reimbursements, th. UAH	31 869	717	31 152	4344,77%
Indemnities/Gross premiums ratio, %	19,84%	0,42%	19,42 p.p.	-
Financial result from operating activities, th. UAH	-50 176	61 680	-111 856	-
ROS, %	-31,24%	35,73%	-66,97 p.p.	-
Net profit (loss), th. UAH	-36 089	50 297	-86 386	-
ROE, %	-22,39%	21,16%	-43,55 p.p.	-

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

1. Shareholders' equity of JSC IC "BUSIN" for the period from 30.09.2023 to 30.09.2024 decreased by 32.20% and amounted to UAH 161.16 mln, and its liabilities reduced by 46.43% down to UAH 137.55 mln. As a result of the greater decrease rates of gross liabilities there was an increase of the insurer's ratio between shareholders' equity and liabilities: by 24.58 p.p. up to 117.16%. Thus, as at the beginning of the fourth quarter of 2024 JSC IC "BUSIN" was very well provided with shareholders' equity.

2. The amount of cash and its equivalents on the accounts of JSC IC "BUSIN" grew by 21.12% in the analyzed period and as of September 30, 2024 amounted to UAH 322.2 mln, and the level of liabilities coverage with cash of JSC IC "BUSIN" increased by 130.63 p.p. up to 234.24%. Thus, as of the beginning of the fourth quarter of 2024 year JSC IC "BUSIN" was very well provided with high liquidity assets, which in 2,34 times exceeded its liabilities.

3. Gross premiums of JSC IC "BUSIN" for the 9 months of 2024 year amounted to UAH 160.59 mln, that was by 6.98% less than for the same period of 2023 year. At the same time, the part of insurance premiums belonged to the reinsurers for the 9 months of 2024 year increased by 61.35% compared to the indicator for the 9 months of 2023 year.

4. The activities of JSC IC "BUSIN" according to the results of the first 9 months of 2024 year were unprofitable, while for the 9 months of 2023 year the Insurer received net and operational profits. In particular, the loss from operational activity of the Insurer for the 9 months of 2024 year amounted to UAH 50.18 mln, and its net loss amounted to UAH 36.09 mln.

5. The Insurer confirmed to the Agency that as of September 30, 2024, JSC IC "BUSIN" complied with the requirements to solvency and insurer's assets according to "Regulations on establishing requirements for ensuring the solvency and investment activities of the insurer".

Therefore, the analysis of the results of JSC IC "BUSIN" for the 9 months of 2024 year indicates a very high level of coverage of the insurer's liabilities with its shareholders' equity and a very high level of provision with high liquidity assets, against the background of the Insurer's unprofitable activity.

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»