

01.04.2024

## Rating of JSC IC “BUSIN” is updated

**April 1, 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 results of the analysis of JSC SC "BUSIN" for the 2023 year.

Table

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

Indicators	2023 year (31.12.2023)	2022 year (31.12.2022)	Change	Growth rate, %
Total assets, th. UAH	586 909	611 636	-24 727	-4,04%
Shareholders' equity, th. UAH	243 016	201 031	41 985	20,88%
Gross liabilities, th. UAH	343 893	410 605	-66 712	-16,25%
Shareholders' equity/Liabilities ratio, %	70,67%	48,96%	21,71 p.p.	-
Cash and cash equivalents, th. UAH	265 873	211 065	54 808	25,97%
Cash and cash equivalents/Liabilities ratio, %	77,31%	51,40%	25,91 p.p.	-
Total gross premiums, th. UAH	293 238	328 124	-34 886	-10,63%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	193 951	217 001	-23 050	-10,62%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	66,14%	66,13%	0,01 p.p.	-
Insurance indemnities and reimbursements, th. UAH	1 317	687	630	91,70%
Indemnities/Gross premiums ratio, %	0,45%	0,21%	0,24 p.p.	-
Financial result from operating activities, th. UAH	65 143	44 676	20 467	45,81%
ROS, %	22,22%	13,62%	8,60 p.p.	-
Net profit (loss), th. UAH	55 218	62 413	-7 195	-11,53%
ROE, %	22,72%	31,05%	-8,33 p.p.	-

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

1. Shareholders' equity of JSC IC “BUSIN” for the 2023 year grew by 20.88% and amounted to UAH 243.02 million. The growth of the Insurer's equity in the analyzed period was due to 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 December 31, 2022 to December 31, 2023 decreased by 16,25% to UAH 343.89 million. A multidirectional movement of the respective indicators resulted in the increase in the level of coverage of the insurer's liabilities by shareholders' equity by 21.71 p.p. to 70.67%. Thus, as of the beginning of the 2024 year, JSC IC “BUSIN” was well provided with shareholders' equity.

2. The amount of cash and its equivalents in the accounts of JSC IC “BUSIN” for the 2023 year grew by 25.97% to UAH 265.87 million. The increase of cash against the reduction of gross liabilities resulted in the improvement of the level of liabilities coverage with cash of JSC IC

“BUSIN”, which grew by 25.91 p.p. to 77,31%. Thus, as of the beginning of the 2024 year JSC IC “BUSIN” was very well provided with high liquidity assets.

3. Gross premiums of JSC IC “BUSIN” for the 12 months of 2023 compared to the same period of 2022 decreased by 10,63% and amounted to UAH 293.24 million. The Agency 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 were significant. At the same time, the profit from operating activity of the Insurer for the 2023 year compared to the 2022 year grew by 45.81% and amounted to UAH 65.14 million, and its net profit decreased by 11,53% and amounted to UAH 55.22 million.

5. The Agency notes that according to the reporting provided by JSC IC “BUSIN”, as of December 31, 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 2023 year indicates a good level of coverage of the insurer's liabilities with its shareholders' equity, a high level of provision with high liquidity assets, significant volumes of gross premiums, as well as 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»*