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Ratings of JSC IC “BUSIN” are updated

March 15, 2021 RA “Standard-Rating” has decided to update the credit rating/ the financial stability rating of the insurer PrJSC “INSURANCE COMPANY “BUSIN” (19492371) – at the level **uaAA+** according to the national scale. The insurer with rating **uaAA+** is characterized by a very high financial stability compared to other Ukrainian insurers. Updating the Insurer’s rating, the Agency was guided by the results of the Company’s activity for the 12 months of 2020 year.

1. JSC IC “BUSIN” for the twelve months of 2020 year has collected UAH 172,380 mln. that is by 3,21% lower than premiums collected for the 2019 year. At the same time, receipts from individuals have increased by 60,35% – up to UAH 1,011 mln., and from reinsurers, on the contrary, have reduced by 21,80%: from UAH 45,999 mln. down to UAH 35,973 mln.

The Agency notes that an adjustment of gross business volumes is caused by the specifics of insurance types the Company specializes on, including the specialization of JSC IC “BUSIN” on aviation insurance.

Table 1

Key indicators of income and expenses of JSC IC “BUSIN”, th. UAH, p.p., %

#	Indicators	2020 year	2019 year	Change	Growth rate, %
1	Total gross premiums, including	172 380	178 100	-5 720	-3,21%
2	from insurants-individuals	1 011	631	381	60,35%
3	from reinsurers	35 973	45 999	-10 026	-21,80%
4	Proportion of individuals in gross premiums	0,59%	0,35%	0,24 p.p.	-
5	Proportion of reinsurers in gross premiums	20,87%	25,83%	-4,96 p.p.	-
6	Insurance payments sent to reinsurers	105 141	99 419	5 722	5,75%
7	Coefficient of dependence on the reinsurers	60,99%	55,82%	5,17 p.p.	-
8	Net premiums	67 239	78 680	-11 441	-14,54%
9	Premium earned	68 824	68 232	593	0,87%
10	Financial result from operating activity	44 271	32 650	11 621	35,59%
11	Insurance indemnities and reimbursements	7 995	7 043	952	13,52%
12	Insurance indemnities/Gross premiums ratio	4,64%	3,95%	0,69 p.p.	-
13	Net profit	51 415	17 001	34 414	202,42%
14	ROE	33,69%	14,93%	18,76 p.p.	-

2. Insurance premiums, sent to the reinsurers for the twelve months of 2020 year compared to the same period of 2019 year have increased by 5,75% up to UAH 105,141 mln. As a result, the coefficient of the reinsurers participation in insurance premiums has grown up to 60,99%.

Business activity indicators of JSC IC “BUSIN” have demonstrated a multidirectional dynamics. Thus, net premiums have decreased by 14,54% down to UAH 67,239 mln., and earned premiums have grown by 0,87% and have amounted to UAH 68,824 mln.

3. For the four quarters of 2020 year the Company has paid to its clients UAH 7,995 mln of insurance indemnities and reimbursements, that by 13,52% has exceeded

indemnities for the same period of 2019 year. Therefore, the indemnities' level has grown from 3,95% up to 4,64%, or by 0,69 p.p.

According to the activity's results for the twelve months of 2020 year the Insurer has demonstrated good indicators of profitability. Thus, the financial result from operating activity of JSC IC "BUSIN" has grown by 35,59% up to UAH 44,271 mln., and net profit has increased in 3,02 times up to UAH 51,415 mln.

4. In the period from 01.01.2020 to 01.01.2021 the balance sheet indicators of JSC IC "BUSIN" have demonstrated an upward trend:

- Cash and its equivalents have grown by 60,19% up to UAH 151,196 mln.;
- Shareholders' equity has shown the increase by 37,24% up to UAH 152,612 mln.;
- Liabilities have increased from UAH 200,041 mln. up to UAH 228,573 mln.;
- Assets have grown by 22,47% up to UAH 381,185 mln.

Therefore, as at the end of the fourth quarter of 2020 year, the Insurer has possessed good levels of capitalization (66,77%) and liquidity (66,15%).

Table 2

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

#	Indicators	01.01.2021	01.01.2020	Change	Growth rate, %
1	Assets	381 185	311 242	69 943	22,47%
2	Shareholders' equity	152 612	111 201	41 411	37,24%
3	Liabilities	228 573	200 041	28 532	14,26%
4	Shareholders' equity/Liabilities ratio	66,77%	55,59%	11,18 p.p.	-
5	Cash and its equivalents	151 196	94 383	56 813	60,19%
6	Proportion of cash in assets of the insurer	39,66%	30,32%	9,34 p.p.	-
7	Cash/Liabilities ratio	66,15%	47,18%	18,97 p.p.	-

According to the information, provided by JSC IC "BUSIN" to the Agency, as of 01.01.2021 the Insurer complied with the criteria of liquidity, profitability and quality of the insurer's assets, solvency and capital adequacy ratio, operation risk ratio and asset quality ratio.

Having analyzed the activity of JSC IC "BUSIN" for the twelve months of 2020 year, RA "Standard-Rating" notes high indicators of profitability, good levels of capitalization (66,77%) and liquidity (66,15%).

RA «Standard-Rating» (Ukraine)