

26.08.2023

Rating of JSC IC "BUSIN" is updated

August 26, 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 of the 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 first half of 2023.

Table

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

Показники	The first half of 2023 (30.06.2023)	The first half of 2022 (30.06.2022)	Change	Growth rate, %
Total assets, th. UAH	571 154	452 458	118 696	26,23%
Shareholders' equity, th. UAH	216 657	148 232	68 425	46,16%
Gross liabilities, th. UAH	354 497	304 226	50 271	16,52%
Shareholders' equity/Liabilities ratio, %	61,12%	48,72%	12,40 п.п.	-
Cash and cash equivalents, th. UAH	250 909	151 741	99 168	65,35%
Cash and cash equivalents/ Liabilities ratio, %	70,78%	49,88%	20,90 п.п.	-
Total gross premiums, th. UAH	136 902	120 611	16 291	13,51%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	86 234	92 722	-6 488	-7,00%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	62,99%	76,88%	-13,89 п.п.	-
Insurance indemnities and reimbursements, th. UAH	671	649	22	3,39%
Indemnities/Gross premiums ratio, %	0,49%	0,54%	-0,05 п.п.	-
Financial result from operating activities, th. UAH	40 349	6 042	34 307	567,81%
ROS, %	29,47%	5,01%	24,46 п.п.	-
Net profit (loss), th. UAH	31 203	9 344	21 859	233,94%
ROE, %	14,40%	6,30%	8,10 п.п.	-

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

1. Equity capital of BUSIN JSC for the period from 06.30.2022 to 06.30.2023 grew by 46,16% and amounted to UAH 216,657 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 size of the registered authorized capital. Thus, on March 31, 2023, the shareholders of SC "BUSIN" JSC 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 June 30, 2022 increased by 16,52% to UAH 354,5 million as of June 30, 2023. A significant increase in the equity capital of SC "BUSIN" JSC led to an improvement in the level of coverage of the insurer's liabilities by equity capital, which increased by 12,40 percentage points to 61,12%. Therefore, as of the beginning of the second half of 2023, SC "BUSIN" JSC was well equipped with its own capital.

2. The amount of cash and their equivalents in the accounts of SC "BUSIN" JSC as of June 30, 2023 compared to 30.06.2022 grew by 65,35% to UAH 250,91 million. As a result of higher rates of growth of the volume of cash compared to gross liabilities, the level of cash coverage of the

liabilities of SC "BUSIN" JSC improved by 20,90 percentage points to 70,78%. The corresponding level of the indicator indicates a good level of provision of SC "BUSIN" JSC with highly liquid assets.

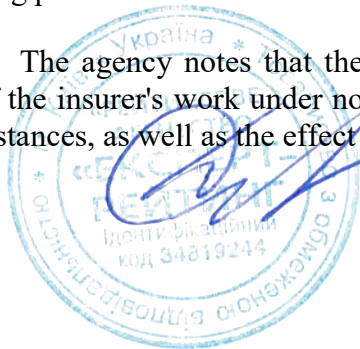
3. Gross premiums of BUSIN JSC for the first half of 2023 compared to the same period of 2022 increased by 13,51% and amounted to UAH 136,9 million. At the same time, in the first six months of 2023, the Company concluded 273 insurance contracts. The Agency positively assesses the growth of the Insurer's gross premiums and notes that the significant fluctuations in the business volumes of SC "BUSIN" JSC 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 volumes of premiums.

4. The activities of SC "BUSIN" JSC in the analyzed period were profitable, and its financial results demonstrated significant growth. In particular, the operating profit of the Insurer for the first half of 2023 compared to the first half of 2022 grew by 6,7 times and amounted to UAH 40,35 million, and its net profit increased by 3,34 times to UAH 31,2 million.

5. The Agency notes that according to the reporting provided by SC "BUSIN" JSC, as of June 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 established by the law.

Thus, the analysis of the results of JSC SC "BUSIN" for the first half of 2023 indicates a good level of coverage of the insurer's obligations with its own capital, a good level of security with highly liquid assets, 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»