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## Updated JSC SC "BUSIN" ratings

August 24, 2023, RA "Standard-Rating" made a decision to update the credit rating / rating of financial stability of the insurer of the Private Joint-Stock Company "INSURANCE COMPANY "BUSIN" (EDRPOU 19492371) at the level of **uaAA+** on the national scale. The insurer with the uaAA+ rating is characterized by very high financial stability compared to other Ukrainian insurers. When updating the Insurer's rating, the Agency was guided by the Company's results for the first half of 2023.

1. In the first six months of 2023, SC "BUSIN" JSC collected UAH 136,902 million in gross premiums, which is 13,51% more than the volume of premiums for the same period in 2022. In particular, income from individuals increased by 3,12% to UAH 0,991 million, and from reinsurers by 80,26% to UAH 25,327 million.

The Agency positively assesses the significant growth of the Company's gross business volumes in the conditions of Russian aggression, the introduction of martial law and the drop in the level of business activity in the country.

Table 1

### Key indicators of income and expenses of SC "BUSIN" JSC, thousand UAH, pp., %

#	Indicators	I half of 2023	I half of 2022	Change	Growth rate, %
1	Total gross premiums, including:	136 902	120 611	16 291	13,51%
2	- from insured individuals	991	961	30	3,12%
3	- from reinsurers	25 327	14 050	11 277	80,26%
4	Share of individuals in gross premiums	0,72%	0,80%	-0,08 п.п.	-
5	Share of reinsurers in gross premiums	18,50%	11,65%	6,85 п.п.	-
6	Insurance payments sent to reinsurers	86 234	92 722	-6 488	-7,00%
7	The coefficient of participation of reinsurers in insurance premiums	62,99%	76,88%	-13,89 п.п.	-
8	Pure premiums	50 668	27 889	22 779	81,68%
9	Received insurance premiums	60 029	41 658	18 371	44,10%
10	Financial result from operating activities	40 349	6 042	34 307	567,81%
11	Insurance payments and compensation	671	649	22	3,39%
12	The ratio between payouts and gross premiums	0,49%	0,54%	-0,05 п.п.	-
13	Net profit	31 203	9 344	21 859	233,94%
14	Return on equity (ROE)	14,40%	6,30%	8,10 п.п.	-

2. Insurance payments sent to reinsurers for the first half of 2023 compared to the same period of 2022 decreased by 7% to UAH 86,234 million. As a result, the ratio of reinsurers' participation in insurance premiums decreased by 13,89 percentage points to 62,99%.

Indicators of business activity of SC "BUSIN" JSC in the analyzed period showed a growing trend: net premiums grew by 81,68% to UAH 50,668 million, and earned premiums by 44,10% to UAH 60,029 million.

3. In the first six months of 2023, the Company paid its clients UAH 0,671 million in insurance payments and compensations, which is 3,39% more than in the same period of 2022. Taking into account the higher rates of growth of gross premiums compared to insurance indemnities, the level of payments decreased by 0,05 pp. to 0,49%.

In the analyzed period, the Insurer demonstrated significant volumes of net and operating profits. Thus, the financial result from the operational activities of SC "BUSIN"

JSC for the first half of 2023 was UAH 40,349 million, and the net profit was UAH 31,203 million.

4. In the period from 01.01.2023 to 01.07.2023 balance sheet indicators of BUSIN JSC demonstrated multidirectional dynamics:

- Assets decreased by 6,62% to UAH 571,154 million;
- Equity grew by 8,85% to UAH 216,657 million;
- Liabilities decreased by 14,08% to UAH 354,497 million;
- Cash and cash equivalents increased by 18,88% to UAH 250,909 million.

Thus, as of the beginning of the second half of 2023, the Insurer had a good capitalization rate (61,12%) and a high level of coverage with highly liquid assets (70,78%).

Table 2

**Key balance sheet indicators of SC "BUSIN" JSC, thousand hryvnias, pp., %**

#	Indicators	01.07.2023	01.01.2023	Change	Growth rate, %
1	Assets	571 154	611 636	-40 482	-6,62%
2	Shareholders' equity	216 657	199 045	17 612	8,85%
3	Liabilities	354 497	412 591	-58 094	-14,08%
4	Shareholders' equity/Liabilities ratio	61,12%	48,24%	12,88 п.п.	-
5	Cash and cash equivalents	250 909	211 064	39 845	18,88%
6	Proportion of cash in assets of the insurer	43,93%	34,51%	9,42 п.п.	-
7	Cash/Liabilities ratio	70,78%	51,16%	19,62 п.п.	-

According to the information provided to the Agency by BUSIN JSC, as of July 1, 2023, the insurer complied with the criteria of liquidity, profitability and quality of the insurer's assets, the standard of solvency and capital adequacy, the standard of riskiness of operations and the standard of asset quality.

The analysis of JSC JSC SC "BUSIN" for the first half of 2023 allows RA "Standard-Rating" to draw the following conclusions:

- Significant volumes of net and operating profits;
- Good level of capitalization (61,12%);
- High level of coverage of liabilities with highly liquid assets (70,78%).

The Agency draws attention to the fact that the given report takes into account the assessment of the probability of settlement of the insurer's obligations under normal circumstances. Force majeure circumstances, circumstances of force majeure and other exceptional circumstances that cannot be foreseen, or which are related to the effect of martial law in Ukraine, cannot be taken into account in the assessment.

*RA "Standard-Rating" (Ukraine)*