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30/12/2024

Ratings of JSC IC “BUSIN” are updated

December 30, 2024 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 9 months of 2024 year.

1. Gross premiums, collected by JSC IC “BUSIN” for the first three quarters of 2024 year, have amounted to UAH 160,593 mln that is by 6,98% less than premiums for the same period of 2023 year. At the same time, receipts from reinsurers have decreased by 22,75% down to UAH 29,186 mln. The Agency notes a slight reduction of gross business of JSC IC “BUSIN” in the analyzed period, which is characterized by difficult work conditions caused by the military aggression of russia and the introduction of martial law in Ukraine.

Table 1

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

#	Indicators	9 months of 2024	9 months of 2023	Change	Growth rate, %
1	Total gross premiums, including:	160 593	172 647	-12 054	-6,98%
2	- from insurants-individuals	147	1 163	-1 016	-87,36%
3	- from reinsurers	29 186	37 783	-8 597	-22,75%
4	Proportion of individuals in gross premiums	0,09%	0,67%	-0,58 p.p.	-
5	Proportion of reinsurers in gross premiums	18,17%	21,88%	-3,71 p.p.	-
6	Insurance payments sent to reinsurers	178 299	110 506	67 793	61,35%
7	Coefficient of reinsurers’ participation in insurance premiums	111,03%	64,01%	47,02 p.p.	-
8	Net premiums	-17 706	62 141	-79 847	-128,49%
9	Premium earned	25 694	91 266	-65 572	-71,85%
10	Financial result from operating activity	-50 176	61 680	-111 856	-
11	Insurance indemnities and reimbursements	31 869	717	31 152	4344,77%
12	Indemnities/Gross premiums ratio	19,84%	0,42%	19,42 p.p.	-
13	Net profit	-36 089	50 297	-86 386	-
14	ROE	-22,39%	21,16%	-43,55 p.p.	-

2. Insurance premiums, sent to the reinsurers for the 9 months of 2024 year compared to the same period of 2023 year, have grown by 61,35% up to UAH 178,299 mln. Therefore, the coefficient of the reinsurers’ participation in insurance premiums has grown by 47,02 p.p. up to 111,03%.

Business activity indicators of JSC IC “BUSIN” have decreased in the analyzed period: net premiums for the first three quarters of 2024 year have amounted to UAH 17,706 mln, and earned net premiums have amounted to UAH 25,694 mln.

3. For the first three quarters of 2024 year the Company has paid UAH 31,869 mln of insurance indemnities and reimbursements to its clients that have been in 44 times more than for the same period of 2023 year. Therefore, the indemnities’ level has grown by 19,42 p.p. up to 19,84%.

4. In the period from 01.01.2024 to 01.10.2024 the balance sheet indicators of JSC IC “BUSIN” have demonstrated a multidirectional dynamics:

- Assets have decreased by 4,89% down to UAH 298,706 mln;
- Shareholders' equity has reduced by 18,30% down to UAH 161,156 mln;
- Liabilities have grown by 17,75% up to UAH 137,550 mln;
- Cash and cash equivalents have increased by 26,51% up to UAH 322,196 mln.

Therefore, as at the beginning of the fourth quarter of 2024 year, the Insurer had very high levels of capitalization (117,16%) and provision with high liquidity assets (234,24%).

Table 2

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

#	Indicators	01.10.2024	01.01.2024	Change	Growth rate, %
1	Assets	298 706	314 065	-15 359	-4,89%
2	Shareholders' equity	161 156	197 245	-36 089	-18,30%
3	Liabilities	137 550	116 820	20 730	17,75%
4	Shareholders' equity/Liabilities ratio	117,16%	168,85%	-51,69 p.p.	-
5	Cash and cash equivalents	322 196	254 677	67 519	26,51%
6	Proportion of cash in assets of the insurer	107,86%	81,09%	26,77 p.p.	-
7	Cash/Liabilities ratio	234,24%	218,01%	16,23 p.p.	-

JSC IC "BUSIN" confirmed to the Agency, as of 01.10.2024 the Insurer complied with the requirements to solvency and to insurer's assets set by the legislation.

Having analyzed the activity of JSC IC "BUSIN" for the 9 months of 2024 year, RA "Standard-Rating" notes:

- Increase of indemnities' level;
- Very high level of capitalization (117,16%);
- Very high level of provision of liabilities with high liquidity assets (234,24%).

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

RA "Standard-Rating" (Ukraine)