

03.07.2018

Rating of IC «BROKBUSINESS» is confirmed

July 3, 2018 at the meeting of the Rating committee of RA “Expert-Rating” it was decided to confirm the financial stability rating of the insurer Private JSC “Insurance company “BROKBUSINESS” (20344871) at the level **uaAA-** according to the national scale. Confirming the rating at such level, the Agency was guided by the results of the Company’s activity for the first quarter of 2018.

Table

Key performance indicators of PrJSC «IC «BROKBUSINESS» (th. UAH, p.p., %)

Indicators	QI of 2018 (31.03.2018)	QI of 2017 (31.03.2017)	Change	Growth rate, %
Total assets, th. UAH	223 948	245 338	-21390	-8,72%
Shareholders' equity, th. UAH	100 508	143 699	-43191	-30,06%
Gross liabilities, th. UAH	123 440	101639	21801	21,45%
Shareholders' equity/Liabilities ratio, %	81,42%	141,38%	-59,96 p.p.	-
Cash and cash equivalents, th. UAH	91 546	86 570	4 976	5,75%
Cash and cash equivalents/ Liabilities ratio, %	74,16%	85,2%	-11,01 p.p.	-
Total gross premiums, th. UAH	56 289	29 573	26 716	90,34%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	3 523	1 282	2 241	174,80%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	6,26%	4,34%	1,92 p.p.	-
Insurance indemnities and reimbursements, th. UAH	20 029	15 633	4 396	28,12%
Insurance indemnities/Gross premiums ratio for the period, %	35,58%	52,86%	-17,28 p.p.	-
Financial result from operating activities, th. UAH	-5 813	-14 603	8 790	-
ROS, %	-10,33%	-49,38%	39,05 p.p.	-
Net profit (loss), th. UAH	-6 672	-13 910	7 238	-
ROE, %	-6,64%	-9,68%	3,04 p.p.	-

Source: data of Private JSC “IC “BROKBUSINESS”, calculations by RA «Expert-Rating»

1. Assets of IC “BROKBUSINESS” for the period from 31.03.2017 to 31.03.2018 have decreased by 8,72% down to UAH 223,95 mln. Shareholders’ equity of the Company for the same period has reduced by 30,06% and has amounted to UAH 100,51 mln., and gross liabilities have increased by 21,45% up to UAH 123,44 mln. As a result, the ratio of shareholders’ equity to the Insurer’s liabilities for the analyzed period has decreased by 59,96 p.p. and on 31.03.2018 has amounted to 81,42%. Nevertheless, despite a decrease, the value of this indicator as at the end of the first quarter of 2018 has indicated the Company’s formation of sufficient equity reserve.

2. Cash at the Company’s accounts as of 31.03.2018 has amounted to UAH 91,55 mln., that is by 5,75% higher than on 31.03.2017. A great growth rate of liabilities compared to the increase in the balance of cash at the Insurer’s accounts has decreased its liquidity by 11,01 p.p. and at the end of the first quarter of 2018 the ratio of cash to liabilities has amounted to 74,16%.

3. Business activity of the Insurer in the analyzed period has considerably grown. Thus, for the three months of 2018 the Company has collected UAH 56,29 mln. of insurance premiums that is by 90,34% more than for the same period of 2017. Part of insurance premiums belonged to the reinsurers has grown up to UAH 3,52 mln. and has amounted to 6,26% of gross premiums. The Company for the first quarter of 2018 has performed insurance indemnities and reimbursements for the amount of UAH 20,03 mln., the indemnities’ level of the Insurer has decreased down to 35,58%.

4. Activity of IC “BROKBUSINESS” in the first quarter of 2018 has been unprofitable, but the Insurer has managed to considerably reduce the volume of loss from operating activity and net profit compared to the same period of 2017. In general, the volume of loss received for the three months of 2018 has been insignificant and couldn’t negatively affect the Company’s financial stability.

Therefore, having studied the work results of IC “BROKBUSINESS” according to the results of the first quarter of 2018, the Agency notes a sufficient equity reserve, a high liquidity and a considerable growth of the Company’s business activity. These factors allow the Agency to confirm the financial stability rating of the insurer.

Analytical service of RA «Expert-Rating»