

04.09.2014

Rating of IC «BROKBUSINESS» is confirmed

September 04, 2014 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 in the H1 of 2014.

Table

Key performance indicators of PrJSC «IC «BROKBUSINESS»

Indicators	HI of 2014 (30.06.2014)	HI of 2013 (30.06.2013)	Change	Growth rate, %
Total assets, th. UAH	257 560	224 617	32 943	14,67%
Shareholders' equity, th. UAH	166 528	96 973	69 555	71,73%
Gross liabilities, th. UAH	91 032	127 644	-36 612	-28,68%
Shareholders' equity/Liabilities ratio, %	182,93%	75,97%	106,96 p.p.	-
Cash and cash equivalents, th. UAH	112 360	73 977	38 383	51,89%
Cash and cash equivalents/ Liabilities ratio, %	123,4%	57,96%	65,47 p.p.	-
Total gross premiums, th. UAH	73 515	102 419	-28 904	-28,22%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	9 538	24 538	-15 000	-61,13%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	12,97%	23,96%	-10,98 p.p.	-
Insurance indemnities and reimbursements, th. UAH	15 393	17 643	-2250	-12,75%
Insurance indemnities/Gross premiums ratio for the period, %	20,94%	17,23%	3,71 p.p.	-
Financial result from operating activities, th. UAH	22 732	22 287	445	2,00%
ROS, %	30,92%	21,76%	9,16 p.p.	-
Net profit (loss), th. UAH	39 461	22 490	16 971	75,46%
ROE, %	23,7%	23,19%	0,50 p.p.	-

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

1. The increase in assets of Insurance company “BROKBUSINESS” in the period from 30.06.2013 to 30.06.2014 has amounted to 14,67% (UAH 33 mln). For the analyzed period gross liabilities of the Company have reduced by 28,68% (by UAH 36,6 mln), and shareholders’ equity, on the contrary, has grown by 71,73% (by UAH 69,6 mln). As a result, the insurer’s capitalization has significantly increased: the ratio of shareholders’ equity to liabilities has grown by 106,96 p.p. up to the level 182,93%. Thus, on 30.06.2014 shareholders’ equity has exceeded liabilities of IC “BROKBUSINESS” by 82,93% and the Company has been more than sufficient provided with shareholders’ equity.

2. The balance of cash at the Company’s accounts as of 30.06.2014 has amounted to UAH 112,4 mln that significantly (by 51,89%) exceeds the balance on 30.06.2013. As a result the ratio of cash to liabilities has grown by 65,47 p.p. up to 123,4%. Such dynamics of the Company’s liquidity has been opposite to the overall market trend, and in the whole the insurer’s liquidity is assessed by the Agency as very high.

3. For the six months of 2014 the Company has collected UAH 73,5 mln of gross premiums. Part of insurance premiums belonged to the reinsurers has dropped by 61,13% down to UAH 9,5 mln with respect to the first half of 2013. As a result, the ratio between premiums belonged to the reinsurers and gross premiums has decreased by 10,98 p.p. down to 12,97%. Gross volume of

insurance indemnities and compensations, performed in the first half of 2014, has amounted to UAH 15,4 mln that is by 12,75% less than in the same period of 2013. The ratio between indemnities and gross premiums has grown by 3,71 p.p. up to 20,94%. The level of the Company's indemnities is close to the average of the market.

4. Despite a difficult situation in the country, due to the professionalism of management the Company has improved its financial results according to the results of the H1 of 2014 with respect to the same period of 2013. The result from operating activity has grown by UAH 0,45 mln up to UAH 22,7 mln that in its turn has increased ROS by 9,16 p.p. up to 30,92%. In total the insurer has earned in the first half of 2014 UAH 39,5 mln of net profit that is by 75,46% higher than the result of the same period of 2013.

Having analyzed the work results of IC "BROKBUSINESS" in the first half of 2014 and having compared them with the results of the first half of 2013, the Agency notes:

- Growth of capitalization by 106,96 p.p.;
- Increase in liquidity by 65,47 p.p.;
- Increase in net profit by 75,46 %.

The above trends have positively affected the insurer's activity that has enabled to confirm the Company's rating at a high level.



Analytical service of RA «Expert-Rating»