

07.09.2018

Rating of IC «BROKBUSINESS» is confirmed at the level uaAA-

September 7, 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 half of 2018.

1. Assets of IC “BROKBUSINESS” for the period from 30.06.2017 to 30.06.2018 have decreased by 4,05% down to UAH 225,52 mln. Shareholders’ equity of the Company for the same period has decreased by 32,03% down to UAH 85,18 mln., and gross liabilities have grown by 27,9% up to UAH 140,34 mln. The reduction of shareholders’ equity against the background of the growth of liabilities has resulted in the decrease of the Company’s capitalization by 53,51 p.p. As a result, the ratio of shareholders’ equity to the Insurer’s liabilities as of 30.06.2018 has amounted to 60,69%.

2. The cash balance at the accounts of IC “BROKBUSINESS” as of 30.06.2018 has grown by 3,27% with respect to 30.06.2017 and has amounted to UAH 86,57 mln. A more intense growth rate of liabilities compared to the increase in the balance of cash at the Insurer’s accounts has decreased its liquidity by 14,71 p.p. down to 61,68%. Despite a decrease in the Company’s liquidity, it, according to the Agency’s assessments, remains at a sufficient level.

Table

Key performance indicators of Pr.JSC «IC «BROKBUSINESS» for the I half of 2018 (th. UAH, p.p., %)

Indicators	HI of 2018 (30.06.2018)	HI of 2017 (30.06.2017)	Change	Growth rate, %
Total assets, th. UAH	225 520	235 044	-9 524	-4,05%
Shareholders' equity, th. UAH	85 178	125 313	-40 135	-32,03%
Gross liabilities, th. UAH	140 342	109 731	30 611	27,90%
Shareholders' equity/Liabilities ratio, %	60,69%	114,20%	-53,51 p.p.	-
Cash and cash equivalents, th. UAH	86 569	83 830	2 739	3,27%
Cash and cash equivalents/ Liabilities ratio, %	61,68%	76,4%	-14,71 p.p.	-
Total gross premiums, th. UAH	124 827	73 570	51 257	69,67%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	7 063	6 697	366	5,47%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	5,66%	9,10%	-3,44 p.p.	-
Insurance indemnities and reimbursements, th. UAH	45 757	29 599	16 158	54,59%
Insurance indemnities/Gross premiums ratio for the period, %	36,66%	40,23%	-3,58 p.p.	-
Financial result from operating activities, th. UAH	-11 959	-15 720	3 761	-
ROS, %	-9,58%	-21,37%	11,79 p.p.	-
Net profit (loss), th. UAH	-22 002	-32 291	10 289	-
ROE, %	-25,83%	-25,77%	-0,06 p.p.	-

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

3. Business activity of the Insurer in the analyzed period has considerably grown. Thus, for the first half of 2018 the Company has collected UAH 124,83 mln. of insurance premiums that is by 69,67% more than for the same period of 2017. Part of insurance premiums belonged to the reinsurers has grown by 5,47% and has amounted to UAH 7,06 mln, or 5,66% of gross premiums. Insurance premiums and reimbursements of IC “BROKBUSINESS” for the first two quarters of 2018 have grown by 54,59% and has amounted to UAH 45,76 mln. As a result, the indemnities’ level of the Insurer has decreased by 3,58 p.p. down to 36,66%.

4. Activity of IC “BROKBUSINESS” in the analyzed period has been unprofitable, but the growth of the Company’s business activity has enabled to decrease a received loss. Thus, the financial result from operating activity of the Insurer according to the results of the first half of 2018 has amounted to UAH 11,96 mln of loss that is by UAH 3,76 mln less than a loss for the same period of 2017. As well, the Company’s net loss for the first 6 months of 2018 has decreased by UAH 10,29 mln compared to net loss for the 6 months of 2017 and has amounted to UAH 22 mln.. In general, the volume of loss received by the Company for the first half of 2018 has been noticeable, but hasn’t considerable affected the Company’s financial stability.

Therefore, the analysis of statements and work results of IC “BROKBUSINESS” for the first half of 2018 has shown a considerable growth of business activity and a reduction of losses, against the background of the decrease in reserve of the Company’s equity and liquidity that is a consequence of the growth of the insurer’s business activity.

Analytical service of RA «Expert-Rating»