

07.08.2019

Rating of PrJSC «Insurance Company «BROKBUSINESS» is updated

August 7, 2019 at the meeting of the Rating committee of RA “Expert-Rating” it was decided to update the financial stability rating of the insurer Private JSC “Insurance company “BROKBUSINESS” (20344871) at the level **uaAA-** according to the national scale. Updating the rating at such level, the Agency was guided by the results of the Company’s activity for the first half of 2019.

Table

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

Indicators	I half of 2019 (30.06.2019)	I half of 2018 (30.06.2018)	Change	Growth rate, %
Total assets, th. UAH	223 350	225 520	-2 170	-0,96%
Shareholders' equity, th. UAH	99 417	85 178	14 239	16,72%
Gross liabilities, th. UAH	123 933	140 342	-16 409	-11,69%
Shareholders' equity/Liabilities ratio, %	80,22%	60,69%	19,53 p.p.	-
Cash and cash equivalents, th. UAH	78 465	86 569	-8 104	-9,36%
Cash and cash equivalents/ Liabilities ratio, %	63,31%	61,68%	1,63 p.p.	-
Total gross premiums, th. UAH	103 385	124 827	-21 442	-17,18%
Proportion of insurance premiums, belonged to the reinsurers, th.UAH	7 987	7 063	924	13,08%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	7,73%	5,66%	2,07 p.p.	-
Insurance indemnities and reimbursements, th. UAH	47 474	45 757	1 717	3,75%
Insurance indemnities/Gross premiums ratio for the period, %	45,92%	36,66%	9,26 p.p.	-
Financial result from operating activities, th. UAH	1 296	-11 959	13 255	-
ROS, %	1,25%	-9,58%	10,83 p.p.	-
Net profit (loss), th. UAH	-6 340	-22 002	15 662	-
ROE, %	-6,38%	-25,83%	19,45 p.p.	-

Source: data of the Company, calculations by RA «Expert-Rating»

1. Assets of PrJSC “IC “BROKBUSINESS” for the period from 30.06.2018 to 30.06.2019 have decreased by 0,96% and at the end of the second quarter of 2019 have amounted to UAH 223,35 mln. The Company’s shareholders’ equity for the same period has grown by 16,72% up to UAH 99,42 mln., and gross liabilities have reduced by 11,69% down to UAH 123,93 mln. As a result, the shareholders' equity to liabilities ratio of the Insurer in the analyzed period has increased by 19,53 p.p. and on 30.06.2019 has amounted to 80,22% that indicates the Company’s formation of a good reserve of equity.

2. Cash and its equivalents at the accounts of PrJSC “IC “BROKBUSINESS” as of 30.06.2019 has decreased by 9,36% down to UAH 78,47 mln. compared to 30.06.2018. However, the greater decrease rates of gross liabilities compared the balance of cash and its equivalents have resulted in the increase in the Insurer’s liquidity by 1,63 p.p. Therefore, at the end of the first half, 2019 the cash to liabilities ratio at PrJSC “IC “BROKBUSINESS” has amounted to 63,31% that has corresponded to a good level of the Company’s provision with liquid assets.

3. The Insurer’s business activity has reduced in the analyzed period. Thus, for the first two quarters of 2019 the Company has collected gross premiums by 17,18% less, than for the same period

of 2018. At the same time, the part of insurance premiums belonged to the reinsurers has grown by 13,08% up to UAH 7,99 mln that has amounted to 7,73% of gross premiums. IC “BROKBUSINESS” for the first half of 2019 has performed insurance indemnities and compensations for the amount of UAH 47,47 mln, the indemnities’ level of the Insurer has grown by 9,26 p.p. up to 45,92%.

4. Financial results of PrJSC “IC “BROKBUSINESS” have improved in the analyzed period. Thus, according to the results of the first half of 2019 the Insurer has received UAH 1,3 mln of profit from operating activity compared to a loss for the same period of 2018. As well, the Company has decreased the volume of net loss in 3,5 times.

Therefore, having analyzed the performance results of PrJSC “IC “BROKBUSINESS” according to the results of the first half of 2019, the Agency notes a good reserve of equity and good liquidity, a high level of indemnities, as well as the improvement of the Insurer’s financial results against the background of the reduction of its business activity.

Analytical service of RA «Expert-Rating»