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

March 16, 2015 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. Confirming the rating, the Agency was guided by the results of the Company’s activity for 2014.

1. For 2014 assets of IC “BROKBUSINESS” have grown by UAH 11,29 mln up to the level UAH 237,31 mln. Shareholders’ equity of the Company has increased by UAH 30,58 mln up to UAH 157,89 mln, and gross liabilities have reduced by UAH 19,29 mln down to UAH 79,42 mln. The result has become a sharp growth of capitalization: if on 31.12.2013 the ratio of shareholders’ equity to liabilities of the insurer has amounted to 128,97%, then on 31.12.2014 – already 198,8%. Therefore, on 31.12.2014 shareholders’ equity of the insurer has exceeded its liabilities almost in twice.

2. Liquid assets at the Company’s accounts as of 31.12.2014 have amounted to UAH 88,84 mln, while a year earlier this indicator has amounted to UAH 69,51 mln. A significant decrease in liabilities against the background of the growth of cash balances has resulted in the increase in the liquidity ratio by 41,42 p.p. up to 111,85%. This level of covering liabilities with cash is assessed by the Agency as one of the highest in the industry.

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

Indicators	2014 (31.12.2014)	2013 (31.12.2013)	Change	Growth rate, %
Total assets, th. UAH	237 313,0	226 020,0	11 293,0	5,00%
Shareholders’ equity, th. UAH	157 890,0	127 308,0	30 582,0	24,02%
Gross liabilities, th. UAH	79 423,0	98 712,0	-19 289,0	-19,54%
Shareholders’ equity/Liabilities ratio, %	198,80%	128,97%	69,83 p.p.	-
Cash and cash equivalents, th. UAH	88 835,0	69 512,0	19 323,0	27,80%
Cash and cash equivalents/ Liabilities ratio, %	111,85%	70,42%	41,43 p.p.	-
Total gross premiums, th. UAH	127 198,7	186 534,3	-59 335,6	-31,81%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	13 669,3	37 345,2	-23 675,9	-63,40%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	10,75%	20,02%	-9,27 p.p.	-
Insurance indemnities and reimbursements, th. UAH	33 200,3	36 209,1	-3 008,8	-8,31%
Insurance indemnities/Gross premiums ratio for the period, %	26,10%	19,41%	6,69 p.p.	-
Financial result from operating activities, th. UAH	64 050,0	47 952,0	16 098,0	33,57%
ROS, %	50,35%	25,71%	24,65 p.p.	-
Net profit (loss), th. UAH	67 400,0	48 256,0	19 144,0	39,67%
ROE, %	42,69%	37,90%	4,78 p.p.	-

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

3. For the 12 months of 2014 the Company has collected UAH 127,2 mln of insurance premiums. The decrease in gross premiums by 31,81% with respect to the result of 2013 is explained by a sharp reduction of business activity in Ukraine, especially during the last two months of 2014. Proportion of reinsurers has also significantly fallen (by 63,4%): down to UAH 13,67 mln that has amounted to 10,75% from total volume of gross premiums. Insurance indemnities and reimbursements, performed by the insurer for the 12 months of 2014, have amounted to UAH 33,2 mln that is only by 8,31% less than the indicator of 2013. General level of the Company’s indemnities has grown by 6,69 p.p. and has amounted to 26,1% that approximately corresponds to the average level of indemnities of the market.

4. Financial result from operating activity of the Company according to the results of 2014 has amounted to UAH 64,05 mln that is by UAH 16,1 mln higher than in 2013. In total in the analyzed period the insurer has earned UAH 67,4 mln of net profit that exceeds the result of 2013 by UAH 19,14 mln (39,67%). The increase in net and operational profit of the insurer has positively affected the indicators of the activity efficiency: ROE has increased by 4,78 p.p., and ROS has risen by 24,65 p.p.

Having analyzed the statements of IC “BROKBUSINESS” for the 12 months of 2014, the Agency notes a good reserve of shareholders’ equity, a very good level of liquidity, as well as a noticeable increase in net profit of the Company that is a significant achievement, considering more than a difficult situation in the market.

Analytical service of RA «Expert-Rating»