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PRESS-RELEASE

(Translation from Russian)

Financial stability rating of IC «BROKBUSINESS» is updated at the level uaAA-

June 06, 2014 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 at such level, the Agency was guided by the results of the Company’s activity in the Q1 of 2014.

Table

Key performance indicators of PrJSC «IC «BROKBUSINESS»

Indicators	Q1 of 2014 (31.03.14)	Q1 of 2013 (31.03.13)	Change	Growth rate, %
Total assets, th. UAH	251 490,00	214 364,00	37 126,00	17,32%
Shareholders' equity, th. UAH	155 120,00	99 786,00	55 334,00	55,45%
Gross liabilities, th. UAH	96 370,00	114 578,00	-18 208,00	-15,89%
Shareholders' equity/Liabilities ratio, %	160,96%	87,09%	73,87 p.p.	-
Cash and cash equivalents, th. UAH	76 195,00	77 689,00	-1 494,00	-1,92%
Cash and cash equivalents/ Liabilities ratio, %	79,1%	67,80%	11,26 p.p.	-
Total gross premiums, th. UAH	30 719,8	35 492,3	-4 772,50	-13,45%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	1 882,0	13 244,8	-11 362,80	-85,79%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	6,13%	37,32%	-31,19 p.p.	-
Insurance indemnities and reimbursements, th. UAH	7 654,90	9 276,20	-1621,30	-17,48%
Insurance indemnities/Gross premiums ratio for the period, %	24,92%	26,14%	-1,22 p.p.	-
Financial result from operating activities, th. UAH	18 073,00	8 271,00	9 802,00	118,51%
ROS, %	58,83%	23,30%	35,53 p.p.	-
Net profit (loss), th. UAH	28 036,00	8 674,00	19 362,00	223,22%
ROE, %	18,1%	8,69%	9,38 p.p.	-

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

1. As at the end of the Q1 of 2014 assets of Insurance company “BROKBUSINESS” have amounted to UAH 251,5 mln that is higher than the indicator of the Q1 of 2013 by UAH 37 mln (17,32%). Gross liabilities of the Company have reduced by UAH 18 mln (15,89%), and shareholders’ equity has grown by UAH 55 mln (55,45%). That has enabled to significantly increase the financial stability of the insurer: the ratio of shareholders’ equity to liabilities has grown by 73,87 p.p. up to the level 160,96%.

2. The residue of liquid assets in the accounts of the Company as at 31.03.2014 has amounted to UAH 76 mln. Significant reduction of gross liabilities of the insurer

has enabled to increase the ratio of cash to liabilities by 11,26 p.p. up to 79,1% that is, according to the Agency's estimations, a good level of liquidity.

3. The Company has collected UAH 30,7 mln of gross premiums in the Q1 of 2014. Part of insurance premiums belonged to the reinsurers has fallen with respect to the Q1 of 2013 by UAH 11 mln down to the level UAH 1,9 mln. As a result of that the ratio of premiums belonged to the reinsurers to gross premiums has decreased by 31,19 p.p. Insurance indemnities and compensations, which have been performed by the insurer in the Q1 of 2014, have amounted to UAH 7,7 mln, and the ratio of indemnities to gross premiums – 24,92%. Therefore, in comparison with the Q1 of 2013 the level of indemnities has decreased by only 1,2 p.p.

4. In the Q1 of 2014 the Company's management has been able to significantly reduce the costly part that has positively affected the financial results of the insurer's activity. Thus, the result from operating activity has grown by 118,51% up to the level UAH 18 mln with respect to the Q1 of 2013 that in its turn has increased ROS by 35,53 p.p. As a whole, the Company has earned UAH 28 mln of net profit in the Q1 of 2014 that is higher than the result of the same period of 2013 by UAH 19,4 mln or by 223,22%.

As a whole, analysis of the activity of IC "BROKBUSINESS" in the Q1 of 2014 has shown:

- Growth of shareholders' equity by 55,45% (up to UAH 155 mln);
- Increase in capitalization by 73,87 p.p. up to 160,96%;
- Growth of net profit by 223,22%, up to UAH 28 mln.

The revealed 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»