

04.06.2019

Rating of IC «BROKBUSINESS» is updated

June 4, 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 quarter of 2019.

Table

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

Indicators	I quarter of 2019 (31.03.2019)	I quarter of 2018 (31.03.2018)	Change	Growth rate, %
Total assets, th. UAH	215 382	223 948	-8 566	-3,82%
Shareholders' equity, th. UAH	88 910	100 508	-11 598	-11,54%
Gross liabilities, th. UAH	126 472	123 440	3 032	2,46%
Shareholders' equity/Liabilities ratio, %	70,30%	81,42%	-11,12 p.p.	-
Cash and cash equivalents, th. UAH	79 640	91 546	-11 906	-13,01%
Cash and cash equivalents/ Liabilities ratio, %	62,97%	74,16%	-11,19 p.p.	-
Total gross premiums, th. UAH	45 748	56 289	-10 541	-18,73%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	2 750	3 523	-773	-21,94%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	6,01%	6,26%	-0,25 p.p.	-
Insurance indemnities and reimbursements, th. UAH	24 294	20 029	4 265	21,29%
Insurance indemnities/Gross premiums ratio for the period, %	53,10%	35,58%	17,52 p.p.	-
Financial result from operating activities, th. UAH	-3 773	-5 813	2 040	-
ROS, %	-8,25%	-10,33%	2,08 p.p.	-
Net profit (loss), th. UAH	-11 131	-6 672	-4 459	-
ROE, %	-12,52%	-6,64%	-5,88 p.p.	-

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

1. Assets of IC “BROKBUSINESS” for the period from 31.03.2018 to 31.03.2019 have decreased by 3,82% down to UAH 215,38 mln. The Company’s shareholders’ equity for the same period has reduced by 11,54% and has amounted to UAH 88,91 mln., and gross liabilities have grown by 2,46% up to UAH 126,47 mln. As a result, the shareholders' equity to liabilities ratio of the Insurer in the analyzed period has decreased by 11,12 p.p. and on 31.03.2018 has amounted to 70,3%. Such capitalization indicator of IC “BROKBUSINESS” as at the end of the first quarter of 2019 has indicated the Company’s formation of the sufficient reserve of equity.

2. Cash and its equivalents at the accounts of IC “BROKBUSINESS” as of 31.03.2019 has amounted to UAH 79,64 mln, that is by 13,01% lower than on 31.03.2018. The increase in gross liabilities of the Insurer against the background of decrease in the balance of cash and its equivalents has decreased its liquidity by 11,19 p.p. Therefore, at the end of the first quarter, 2019 the cash to liabilities ratio has amounted to 62,97% 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 three months of 2019 the Company has collected gross premiums by 18,73% less, than for the same period of 2018. At the same time, the part of insurance premiums belonged to the reinsurers has decreased down to UAH 2,75 mln that has amounted to 6,01% of gross premiums. IC “BROKBUSINESS” for the first quarter of 2019 has performed insurance indemnities and compensations for the amount of UAH 24,29 mln, the indemnities’ level of the Insurer has grown up to 53,1%.

4. The activity of IC “BROKBUSINESS” has been unprofitable in the first quarter of 2019. The insurer has received UAH 3,77 mln of loss from operating activity and UAH 11,13 mln of net loss. Despite a noticeable amount of loss, the results of the first quarter are not indicative.

Therefore, having analyzed the performance results of IC “BROKBUSINESS” according to the results of the first quarter of 2019, the Agency notes a sufficient reserve of equity, a good liquidity and a high level of indemnities against the background of the reduction of business activity and the Insurer’s unprofitable activity.

Analytical service of RA «Expert-Rating»