

16.08.2017

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

August 16, 2017 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 for the first half of 2017.

1. Assets of IC “BROKBUSINESS” for the period from 30.06.2016 to 30.06.2017 have decreased by UAH 13,83 mln down to UAH 235,04 mln. Shareholders’ equity of the Company for the same period has decreased by 20%, and gross liabilities have grown by 18,98%. Despite the reduction of shareholders’ equity and the growth of liabilities, the Company keeps a good reserve of equity: the Insurer’s capitalization on 30.06.2017 has amounted to 114,2%.

2. Balance of cash at the Company’s accounts as of 30.06.2017 has grown by 4,63% with respect to 30.06.2016 and has amounted to UAH 83,83 mln. The more intensive growth of liabilities compared to the growth of balance of cash at the Company’s accounts has decreased the Insurer’s liquidity by 10,48 p.p. down to 76,40%. Despite the liquidity decrease, it, according to the Agency’s assessments, remains at a rather high level.

Table

Key performance indicators of PrJSC «IC «BROKBUSINESS» for the first half of 2017 (th. UAH, p.p., %)

Indicators	HI of 2017 (30.06.2017)	HI of 2016 (30.06.2016)	Change	Growth rate, %
Total assets, th. UAH	235 044	248 873	-13 829	-5,56%
Shareholders’ equity, th. UAH	125 313	156 650	-31 337	-20,00%
Gross liabilities, th. UAH	109 731	92 223	17 508	18,98%
Shareholders’ equity/Liabilities ratio, %	114,20%	169,86%	-55,66 p.p.	-
Cash and cash equivalents, th. UAH	83 830	80 120	3 710	4,63%
Cash and cash equivalents/ Liabilities ratio, %	76,40%	86,88%	-10,48 p.p.	-
Total gross premiums, th. UAH	73 570	64 315	9 255	14,39%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	6 697,1	7 184,7	-487,6	-6,79%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	9,10%	11,17%	-2,07 p.p.	-
Insurance indemnities and reimbursements, th. UAH	29 598,7	24 271,7	5 327,0	21,95%
Insurance indemnities/Gross premiums ratio for the period, %	40,23%	37,74%	2,49 p.p.	-
Financial result from operating activities, th. UAH	-15 720	4 151,9	-19871,9	-
ROS, %	-21,37%	6,46%	-27,82 p.p.	-
Net profit (loss), th. UAH	-32 291	4 278	-36 569	-
ROE, %	-25,77%	2,73%	-28,50 p.p.	-

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

3. The Company has collected UAH 73,57 mln of insurance premiums that is by UAH 9,26 mln (or by 14,39%) more than for the same period of 2016. Part of insurance premiums belonged to the reinsurers have decreased by 6,79% and составила 6,7 млн. грн. или 9,1% от валовых премий. Страховые выплаты и возмещения выросли на 21,95% and have amounted to UAH 29,6 mln. As a result, the indemnities’ level of the Insurer has increased by 2,49 p.p. up to 40,23%.

4. The financial result from operating activity of the Insurer according to the results of the first half of 2017 has amounted to UAH 15,72 mln of loss, while for the same period of 2016 the Company has received profit of UAH 4,15 mln. As well, for the first 6 months of current year the Company has received net loss of UAH 32,29 mln. As a result, profitability ratios of the Insurer have deteriorated.

Therefore, the analysis of reports and performance indicators of IC “BROKBUSINESS” for the first half of 2017 has shown: growth of business activity, availability of equity reserve and sufficient liquidity of the Company. The volume of losses, received by the Company for the first 6 months of 2017, has been noticeable, but hasn’t had a considerable impact on the Insurer’s financial stability. The combination of these factors allows the Agency to confirm the financial stability rating of IC “BROKBUSINESS” at the level **uaAA-** according to the national scale.

Analytical service of RA «Expert-Rating»