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Rating of IC «BROKBUSINESS» is confirmed

December 04, 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 9 months of 2017.

Table

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

Indicators	9 months of 2017 (30.09.2017)	9 months of 2016 (30.09.2016)	Change	Growth rate, %
Total assets, th. UAH	227 334	249 200	-21 866	-8,77%
Shareholders' equity, th. UAH	112 737	160 909	-48 172	-29,94%
Gross liabilities, th. UAH	114 597	88 291	26 306	29,79%
Shareholders' equity/Liabilities ratio, %	98,38%	182,25%	-83,87 p.p.	-
Cash and cash equivalents, th. UAH	89 207	84 585	4622	5,46%
Cash and cash equivalents/ Liabilities ratio, %	77,84%	95,80%	-17,96 p.p.	-
Total gross premiums, th. UAH	117 767,5	92 486,5	25 281	27,33%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	9 910,9	8 999,9	911	10,12%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	8,42%	9,73%	-1,32 p.p.	-
Insurance indemnities and reimbursements, th. UAH	45 851,4	34 674,1	11 177,3	32,24%
Insurance indemnities/Gross premiums ratio for the period, %	38,93%	37,49%	1,44 p.p.	-
Financial result from operating activities, th. UAH	-32 753	8 035	-40 788	-
ROS, %	-27,81%	8,69%	-36,50 p.p.	-
Net profit (loss), th. UAH	-44 868	8 539	-53 407	-
ROE, %	-39,79%	5,31%	-45,10 p.p.	-

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

1. For the period from 30.09.2016 to 30.09.2017 shareholders' equity of IC “BROKBUSINESS” has decreased by 29,94% down to UAH 112,74 mln., and gross liabilities have grown by 29,79% up to UAH 114,6 mln. Nevertheless, the Agency notes that the Company keeps a good reserve of equity: the ratio of shareholders' equity to liabilities of the insurer on 30.09.2017 has amounted to 98,38%. The Company's assets for the analyzed period have decreased by 8,77% down to UAH 227,33 mln.

2. Cash at the accounts of IC “BROKBUSINESS” as of 30.09.2017 has amounted to UAH 89,21 mln., and have grown by 5,46% compared to 30.09.2016. And though a faster growth of liabilities in the analyzed period has resulted in the decrease in the Insurer's liquidity, but it has remained at a high level and has amounted to 77,84% on 30.09.2017.

3. For the 9 months of 2017 the Insurer has collected UAH 117,77 mln of gross premiums that by 27,33% exceeds the indicator for the same period of 2016. Part of insurance premiums belonged to the reinsurers has grown by 10,12% and has amounted to 8,42% of gross premiums. Insurance indemnities and compensations performed by the Agency for the three quarters of current year have grown by 32,24%, and the indemnities' level of the Insurer has increased by 1,44 p.p. up to 38,93%.

4. According to the results of the three quarters of current year IC “BROKBUSINESS” has received a negative result from operating activity in the amount of UAH 32,75 mln, and also net loss of UAH 44,868 mln., while the Company has finished the same period of 2016 with profit. The deterioration of financial results has negatively affected the efficiency indicators of the Insurer's activity, but was insufficient to misbalance the company's liquidity and capitalization.

Therefore, having studied the work results of IC “BROKBUSINESS” for the 9 months of 2017, the Agency notes: the increase in business activity, the availability of equity reserve and high liquidity against the background of the Company's unprofitable activity. The volume of loss received by the Insurer for the first three quarters of 2017 was noticeable, but didn't have a considerable impact on its financial stability. The combination of these factors allows the Agency to confirm the financial stability rating of IC “BROKBUSINESS”.

Analytical service of RA «Expert-Rating»