

15.11.2018

Rating of IC «BROKBUSINESS» is confirmed

November 15, 2018 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 nine months of 2018.

Table

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

Indicators	9 months of 2018 (30.09.2018)	9 months of 2017 (30.09.2017)	Change	Growth rate, %
Total assets, th. UAH	223 520	227 334	-3 814	-1,68%
Shareholders' equity, th. UAH	90 476	112 737	-22 261	-19,75%
Gross liabilities, th. UAH	133 044	114 597	18 447	16,10%
Shareholders' equity/Liabilities ratio, %	68,00%	98,38%	-30,37 p.p.	-
Cash and cash equivalents, th. UAH	85 194	89 207	-4 013	-4,50%
Cash and cash equivalents/ Liabilities ratio, %	64,03%	77,84%	-13,81 p.p.	-
Total gross premiums, th. UAH	176 294	117 768	58 526	49,70%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	8 454	9 911	-1 457	-14,70%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	4,80%	8,42%	-3,62 p.p.	-
Insurance indemnities and reimbursements, th. UAH	66 812	45 851	20 961	45,72%
Insurance indemnities/Gross premiums ratio for the period, %	37,90%	38,93%	-1,04 p.p.	-
Financial result from operating activities, th. UAH	-6 607	-32 753	26 146	-
ROS, %	-3,75%	-27,81%	24,06 p.p.	-
Net profit (loss), th. UAH	-16 704	-44 868	28 164	-
ROE, %	-18,46%	-39,80%	21,34 p.p.	-

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

1. For the period from 30.09.2017 to 30.09.2018 shareholders' equity of IC “BROKBUSINESS” has decreased by 19,75% down to UAH 90,48 mln., and gross liabilities have grown by 16,1% up to UAH 133,04 mln. As a result of multidirectional movement of these indicators, the ratio of shareholders' equity to the Insurer's liabilities as of 30.09.2018 has decreased down to 68%. The Company's assets in the analyzed period have decreased by 1,68% down to UAH 223,52 mln.

2. Cash at the accounts of IC “BROKBUSINESS” as of 30.09.2018 has amounted to UAH 85,19 mln, having decreased by 4,5% compared to 30.09.2017. The decrease in the balance of cash against the background of growth of liabilities has resulted in the fall of the Insurer's liquidity by 13,81 p.p. down to 64,03% as at the end of the third quarter of 2018.

3. Business activity of the Insurer in the analyzed period has grown. For the nine months of 2018 IC “BROKBUSINESS” has collected UAH 176,29 mln. of gross premiums that is almost in 1,5 times higher than for the nine months of 2017. At the same time, insurance premiums, belonged to the reinsurers, have decreased by 14,7% and has amounted to 4,8% of gross premiums. Insurance indemnities and reimbursements, performed by the Company for the three quarters of 2018, have grown by 45,72% up to UAH 66,81 mln. The Insurer's indemnities level has decreased by 1,04 p.p. down to 37,9%.

4. Activity of IC “BROKBUSINESS” in the analyzed period has been unprofitable, but the Company has managed to reduce a received loss for the three quarters of 2018 compared to a loss for the same period of 2017. Thus, the loss from operating activity for the nine months of 2018 has amounted to UAH 6,61 mln that is by UAH 26,15 mln less than an operating loss of the previous period, and net loss has amounted to UAH 16,7 mln that is by UAH 28,16 mln less than for the nine months of 2017.

Therefore, having studied the activity results of IC “BROKBUSINESS” for the nine months of 2018, the Agency notes: increase in business activity, sufficient level of capitalization and liquidity against the background of unprofitable activity. The Agency notes that despite a noticeable volume of losses, obtained by the Insurer for the first three quarters of 2018, they haven't considerably influenced the Company's financial stability. Besides, the Insurer has managed to considerably decrease the volume of losses compared to the 2017 year.

Analytical service of RA «Expert-Rating»