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Rating of IC «BROKBUSINESS» is updated

March 28, 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 12 months of 2017.

Table

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

Indicators	2017 (31.12.2017)	2016 (31.12.2016)	Change	Growth rate, %
Total assets, th. UAH	229 012	251 184	-22 172	-8,83%
Shareholders' equity, th. UAH	107 197	157 611	-50 414	-31,99%
Gross liabilities, th. UAH	121 815	93 573	28 242	30,18%
Shareholders' equity/Liabilities ratio, %	88,00%	168,44%	-80,44 p.p.	-
Cash and cash equivalents, th. UAH	94 697	88 968	5 729	6,44%
Cash and cash equivalents/ Liabilities ratio, %	77,74%	95,1%	-17,34 p.p.	-
Total gross premiums, th. UAH	162 161	125 292	36 869	29,43%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	11 787	11 115	672	6,05%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	7,27%	8,87%	-1,60 p.p.	-
Insurance indemnities and reimbursements, th. UAH	69 904	46 679	23 226	49,76%
Insurance indemnities/Gross premiums ratio for the period, %	43,11%	37,26%	5,85 p.p.	-
Financial result from operating activities, th. UAH	-46 755	5 163	-51918	-
ROS, %	-28,83%	4,12%	-32,95 p.p.	-
Net profit (loss), th. UAH	-50 408	5 206	-55 614	-
ROE, %	-47,02%	3,30%	-50,33 p.p.	-

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

1. For the period from 31.12.2016 to 31.12.2017 shareholders' equity of IC “BROKBUSINESS” has reduced by 31,99% down to UAH 107,2 mln., and gross liabilities, on the contrary, have increased by 30,18% up to UAH 121,82 mln. As a result, the ratio of shareholders' equity to liabilities of the Insurer for the analyzed period has decreased by 80,44 p.p. and on 31.12.2017 has amounted to 88%. Therefore, despite a significant decrease, the level of this indicator as at the end of 2017 indicated the Company’s formation of a significant reserve of equity. The Company’s assets for the 2017 year have decreased by 8,83% down to UAH 229,01 mln.

2. The balance of cash at the Company’s accounts as of 31.12.2017 has amounted to UAH 94,7 mln., that is by 6,44% higher than a year earlier. The great increase in liabilities compared to the increase in cash and its equivalents have resulted in the decrease in the Insurer’s liquidity in the analyzed period by 17,34 p.p. But, despite a decrease, as of 31.12.2017 the ratio of cash to liabilities of IC “BROKBUSINESS” has remained at a high level and has amounted to 77,74%.

3. For the four quarters of 2017 the Company has collected UAH 162,16 mln of gross premiums that by 29,43% exceeds the indicator for the same period of 2016. Part of insurance premiums belonged to the reinsurers has grown by 6,05% and has amounted to 7,27% of gross premiums. Insurance indemnities and compensations performed by IC “BROKBUSINESS” for the 12 months of 2017 have grown by 49,76% compared to the same period of 2016, and have amounted to UAH 69,9 mln. The indemnities’ level of the Insurer has grown up to 43,11%.

4. According to the results of the 2017 year the Company’s activity has been unprofitable. Thus, a loss from operating activity has amounted to UAH 46,76 mln, and net loss – UAH 50,41 mln. The deterioration of financial results has negatively affected the efficiency indicators of the Insurer, but a volume of received loss was insufficient to misbalance the company’s liquidity and capitalization and negatively affect its financial stability.

Therefore, having analyzed the work results of IC “BROKBUSINESS” according to the results of 2017, the Agency notes the availability of good liquidity and equity reserve, a significant growth of gross premiums and the indemnities’ level against the background of the Insurer’s unprofitable activity. These factors allow the Agency to confirm the financial stability rating of IC “BROKBUSINESS”.

Analytical service of RA «Expert-Rating»