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Rating of IC «BROKBUSINESS» is confirmed

March 14, 2016 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 2015.

1. Assets of IC “BROKBUSINESS” for 2015 have grown by UAH 2,2 mln and have amounted to UAH 239,51 mln at the end of the period. Shareholders’ equity of the Insurer has reduced by 3,48% down to UAH 152,4 mln, and gross liabilities have grown by 9,68% up to UAH 87,11 mln. After the above changes the Company’s capitalization has slightly decreased, but, nevertheless, the Insurer possesses a very good reserve of equity (174,95%).

2. Cash at the Company’s accounts on 31.12.2015 has amounted to UAH 94,8 mln that is by UAH 5,96 mln higher than as at the beginning of the year. As a result, the ratio of cash to liabilities of the Insurer has amounted to 108,83%. This level indicates a high liquidity and enables the Company to fully meet its commitments with its cash at the accounts.

Table

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

Indicators	2015 (31.12.2015)	2014 (31.12.2014)	Change	Growth rate, %
Total assets, th. UAH	239 513,0	237 313,0	2 200,0	0,93%
Shareholders' equity, th. UAH	152 403,0	157 890,0	-5 487,0	-3,48%
Gross liabilities, th. UAH	87 110,0	79 423,0	7 687,0	9,68%
Shareholders' equity/Liabilities ratio, %	174,95%	198,80%	-23,84 p.p.	-
Cash and cash equivalents, th. UAH	94 799,0	88 835,0	5 964,0	6,71%
Cash and cash equivalents/ Liabilities ratio, %	108,83%	111,85%	-3,02 p.p.	-
Total gross premiums, th. UAH	118 525,2	127 198,7	-8 673,5	-6,82%
Proportion of insurance premiums, belonged to the reinsurers, th. UAH	10 198,2	13 669,3	-3 471,1	-25,39%
Insurance premiums, belonged to the reinsurers/Gross premiums ratio, %	8,60%	10,75%	-2,14 p.p.	-
Insurance indemnities and reimbursements, th. UAH	44 489,5	33 200,3	11 289,2	34,00%
Insurance indemnities/Gross premiums ratio for the period, %	37,54%	26,10%	11,43 p.p.	-
Financial result from operating activities, th. UAH	15 957,0	64 050,0	-48 093,0	-75,09%
ROS, %	13,46%	50,35%	-36,89 p.p.	-
Net profit (loss), th. UAH	556,0	67 400,0	-66 844,0	-99,18%
ROE, %	0,36%	42,69%	-42,32 p.p.	-

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

3. The priority insurance types in 2015 for the Company were the property types of insurance. For the 12 months of this year the Company has collected UAH 118,53 mln of insurance premiums that is by 6,82% lower than the result of this period of 2014. In the Insurer’s opinion, the decrease of this indicator is explained, firstly, by the crisis in the market and the decrease in the population’s solvency.

4. Part of insurance premiums, belonged to the reinsurers, have reduced by 25,39% and have amounted to UAH 10,2 mln or 8,6% of its gross premiums. Insurance indemnities and compensations of the Company have grown by 34,0% for 2015 compared to 2014, having amounted to UAH 44,49 mln. As a result, the indemnities’ level of the Insurer has grown by 11,43 p.p. up to 37,54% at the end of current year.

5. Despite a decrease in rates of business activity with the growth of indemnities and the indemnities’ level, the Company has kept positive financial results according to the results of 2015. Operational profit of the insurer has amounted to UAH 15,96 mln, and net profit for 2015 has amounted to UAH 0,56 mln. Operational and net profit for 2015 compared to 2014 has considerably decreased; however, under current crisis conditions the fact of profitable activity deserves a positive assessment.

Analysis of statements and results of IC “BROKBUSINESS” activity for 2015 has shown the reduction of gross business volumes, but at the same time, the Company has a very significant reserve of equity, high liquidity and a positive financial result. These factors enable 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»