

**Credit rating conclusion**  
**(rating report)**  
**№EKTAS-КРП-002-ОН**  
under the contract #21/02/08-КРП-01 dated February 8, 2021

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<b>Object of rating: “EKTA” Ins. Co.</b>	
<b>Type of rating</b>	NSR long-term credit rating
<b>Date of assignment</b>	February 26, 2021
<b>Rating action</b>	confirmation
<b>Date of update</b>	August 26, 2021
<b>Category of rating</b>	<b>investment</b>
<b>Grade of rating</b>	<b>uaAAA</b>
<b>Rating outlook</b>	<b>stable</b>
<b>Information on object of rating:</b>	
<b>Full name</b>	SLC “Insurance company “EKTA”
<b>Address</b>	Ukraine, 03150, Kiev, 5 Dilova str., b 2, letter B1
<b>Date of state registration</b>	02.10.2018 p.
<b>State registration certificate</b>	10701020000078380
<b>State registration code</b>	42509958
<b>Main activities</b>	65.12 non-life insurance
<b>Head (position)</b>	Spazhuk Vitaliy Valeriyovych (Director)
<b>tel. / fax</b>	(044) 332 49 42
<b>website</b>	<a href="https://ekta.insure/">https://ekta.insure/</a>
<b>e-mail</b>	info@ic-ekta.com

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№	Date	Rating	Outlook
1	26.02.2021	uaAAA	stable
2	26.08.2021	uaAAA	stable

According to the National Scale of Rating approved by the resolution of the Cabinet of Ministers of Ukraine №665 dated 26 April, 2007, a borrower or a separate debt instrument with a **uaAAA** rating is characterized with the highest ability to meet financial commitments compared to other Ukrainian borrowers and debt instruments.

A **stable** outlook indicates that the rating is unlikely to be changed in the near future.

On August 26, 2021, the National Rating Agency Rurik confirmed the uaAAA NSR long-term credit rating of SLC “Insurance company “EKTA” with a stable outlook.

The symbol “ua” indicates that the credit rating is assigned and updated under the National Scale of Rating. The National Scale of Rating allows to measure credit risk distribution in the economy of Ukraine excluding sovereign risk and is used on the domestic financial market of Ukraine.

The credit rating can be changed, suspended, or withdrawn in case new significant information appears, in case of lack of necessary information to update the rating or for other reasons, which the agency will consider sufficient for taking such actions.

The credit rating is not an absolute measure of credit risk, but an opinion of the rating agency concerning the ability of the object of rating to meet financial commitments compared to other objects.

The credit rating is assigned and updated based on the specially developed methods considering requirements of the legislation of Ukraine and international standards. By no means is the assigned credit rating a recommendation concerning any forms of crediting the object of rating, either selling or buying its securities.

Rurik NRA is not a guarantor and shall not be liable for any debts of the object of rating.

Rurik NRA does not conduct audit or other inspections of information and can, if necessary, rely on unaudited financial information provided by the customer.

The rating grade depends on the quality, homogeneity, and fullness of information at the disposal of the agency.

To assign the credit rating, Rurik NRA used the internal information and financial statements for 2019 – 6m 2021 inclusive provided by the Company as well as public information and its own databases.

While assigning the credit rating the most considerable factors affecting the grade of the credit rating were generalized.

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**Positive factors:**

- High solvency margin of the Insurer. As of July 1, 2021, the size of the actual solvency margin was more than three times higher than the normative value.
- Sufficient level of financial autonomy of the Company. As of July 1, 2021, the level of assets and insurance reserves coverage with an equity amount was 55.1% and 132.7%, respectively. The Company's liabilities were covered by its own funds 1.47 times.
- The company's activity implies a low level of currency risk. Cash and cash equivalents accounted on an Insurer's accounts were presented in the national currency. Also, all financial investments made by the Company are presented in the national currency.
- The rapid paces of Companies` activity development. The total amount of insurance payments received in 6m 2021 reached UAH 94 million, increased by 76% compared to the same period in 2020. The total assets of the Company increased 2.6 times to UAH 155.3 million for the same period.
- High level of financial transparency and information openness of the Company expressed with detailed and complex disclosure of information, necessary to assign the credit rating. This allowed decreasing the level of uncertainty in assessing the ability to meet financial commitments and analysis of the Company's activity.

**Negative factors:**

- Low diversification of the insurance portfolio of the Company by lines of business connected with the peculiarities of the Company's activity on the market. By the results of 6m 2021, premiums written by the three main lines equalled 94 per cent of total premiums, which indicates that the Company's activity highly depends on the main lines of business.
- Like the other Ukrainian insurance companies, the Company's activity is sensitive to the influence of political, legislative, regional and macroeconomic sources of risk immanent to Ukraine.

Therefore, having performed complex rating analysis of SLC "Insurance company "EKTA", considering all sufficient factors affecting the rating grade, guided by the principles of objectivity, independence and open-mindedness, adhering to the rating norms established by the legislation of Ukraine,

**Rurik National Rating Agency confirmed the uaAAA NSR long-term credit rating of SLC "Insurance company "EKTA" with a stable outlook.**

## Main financial and economic indices of SLC "Insurance company "EKTA"

No	Index	01.04.21		01.07.21		Rate of increase
I. Balance indices						
		thsd. hrn.	%	thsd. hrn.	%	%
1	Total assets	143 941	100,00%	155 311	100,00%	7,90%
2	Non-current assets	69 225	48,09%	66 580	42,87%	-3,82%
2.1	Fixed assets	57 088	39,66%	43 158	27,79%	-24,40%
2.2	Long-term financial investments	12 000	8,34%	1 080	0,70%	-91,00%
2.3	Long-term receivables	0	0,00%	0	0,00%	-
3	Current assets	74 716	51,91%	88 731	57,13%	18,76%
3.1	Current receivables	17 528	12,18%	8 322	5,36%	-52,52%
3.2	Current financial investments	18 600	12,92%	40 086	25,81%	115,52%
3,5	Cash and cash equivalents	38 585	26,81%	40 320	25,96%	4,50%
4	Equity	96 639	67,14%	85 574	55,10%	-11,45%
4.1	Authorized capital	37 000	25,70%	37 000	23,82%	0,00%
4.2	Unappropriated balance	1 798	1,25%	-9 374	-6,04%	-621,27%
5	Total insurance reserves	42 044	29,21%	64 468	41,51%	53,33%
6	Shares of reinsurers in insurance reserves	0	0,00%	0	0,00%	-
7	Long-term liabilities	0	0,00%	0	0,00%	-
8	Current liabilities	5 258	3,65%	5 269	3,39%	0,21%
II. Financial results						
		6m 2020		6m 2021		
9	Written premiums	53 321		93 998		76,29%
10	Reinsurance ceded	0		0		-
11	Insurance payments and compensations	889		8 776		886,84%
12	Net profit (loss)	-808		-9 550		1081,93%
III. Relative indices						
		01.04.21		01.07.21		
13	Quick ratio	131,87%		123,05%		-882,67%
14	Liabilities coverage ratio	1054,55%		1505,52%		45097,43%
15	Retention ratio	100,00%		100,00%		0,00%
16	Reinsurers' shares in technical reserves	0,00%		0,00%		0,00%
17	Costs ratio	80,71%		70,25%		-1045,66%
18	Loss ratio	7,15%		14,17%		701,77%
19	Combined ratio	87,86%		84,42%		-343,89%
20	Return on equity	2,47%		-15,87%		-1834,49%
21	Return on assets	1,65%		-9,00%		-1065,21%