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«Freedom Finance Life» Әмірді сақтандыру компаниясы» АҚ  
Шығыс № 0549-10.2/19  
Исход: \_\_\_\_\_  
« 01 » 03 2019 ж.г.  
АО «Компания «Сақтандыру компаниясы «Freedom Finance Life»»

**Председателю Правления  
АО «Казахстанская фондовая биржа»  
г-же Алдамберген А. Ө.**

**Уважаемая Алина Өтемісқызы!**

28 февраля 2019 года агентство Fitch Ratings подтвердило рейтинги финансовой устойчивости компании по страхованию жизни «Freedom Finance Life» на уровне «В-» по международной шкале и «BB-(kaz)» по национальной шкале, исключив указанные рейтинги из списка Rating Watch «Негативный». Прогноз по рейтингам – «Стабильный».

Вышеуказанное рейтинговое действие последовало вслед за исполнением Компанией ряда мероприятий, согласованных с Национальным Банком Республики Казахстан по результатам инспекторской проверки; восстановлением действия лицензии Компании по классам аннуитетного страхования и обязательного страхования работников от несчастных случаев при исполнении им трудовых (служебных) обязанностей; улучшением показателя маржи платежеспособности Компании до 149% на конец января 2019 года благодаря дополнительной капитализации со стороны ее акционеров и росту чистой прибыли.

**По данным Национального банка РК по состоянию на 01.02.2019 года:**

- Активы – 10 297 585 тыс. тенге.
- Страховые резервы – 6 963 727 тыс. тенге.
- Собственный капитал – 3 246 282 тыс. тенге.
- Уставный капитал – 2 087 268 тыс. тенге.

*Приложение: пресс-релиз Fitch Ratings от 28.02.2019 г.*

**С уважением,**

**Председатель Правления**



**Ердесов А.Д.**

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## Fitch Affirms Freedom Life at 'B-'; Outlook Stable

Fitch Ratings - Moscow - 28 February 2019: Fitch Ratings has affirmed Kazakhstan-based Joint-Stock Company Life Insurance Company Freedom Finance Life's (Freedom Life) Insurer Financial Strength (IFS) Rating and National IFS Rating at 'B-' and at 'BB-(kaz)'. The agency has simultaneously removed the ratings from Rating Watch Negative (RWN). The Outlooks are Stable.

The resolution of the RWN follows Freedom Life recommencing writing compulsory workers' compensation and annuity business.

Fitch placed Freedom Life's ratings on RWN in November 2018 following the suspension of its license for compulsory workers' compensation and annuity insurance by the National Bank of Kazakhstan (NBK) for three months effective 31 October 2018. The license suspension resulted from a supervisory inspection from NBK, which revealed inaccuracies in the calculations of prudential metrics and non-compliance with the regulatory standards related to pricing and selling of a number of the workers' compensation and annuity policies.

### Key Rating Drivers

Freedom Life has completed a rehabilitation plan agreed with NBK, which resulted in the strengthening of the prudential indicators. Freedom Life's solvency margin improved to 149% at end-1M19, from 126% at end-10M18, due to the capital injection and stronger net profit. The KZT293 million capital injection was the first tranche of the total KZT1 billion capital increase by mid-2019 committed by the shareholders in November 2018.

In the first 10 months of 2018 Freedom Life's gross written premiums (GWP) grew 14% yoy. The license suspension resulted in a deepening contraction of the insurer's GWP by 27% in November 2018, 63% in December 2018, and 88% in January 2019, compared with the equivalent periods of the previous years. The contraction of the new business inflow was also followed by a substantial amount of surrenders under the annuity contracts.

Fitch had expected a severe drop in premium volumes, as the license suspension hit the core part of Freedom Life's portfolio. Just before the license suspension, the insurer set workers' compensation and annuity insurance as priority growth targets after it had recorded a negative underwriting result on protection-type products. Fitch expects that the recent license suspension will have a prolonged effect on Freedom Life's business profile and its original strategy of development.

From a financial performance perspective, Freedom Life managed to offset the underwriting result, which was negative for both life and non-life parts of the portfolio in the first 10 months of 2018 and after the licence suspension with a strong investment income. Based on the unaudited reporting, the insurer remained profitable, with net profit increasing to KZT392 million in 2018 (2017: KZT47 million). The return on equity increased to 17% in 2018, compared with 2% in 2017. The considerable investment income was earned due to a high interest rate environment and intense use of repurchase agreements.

### Rating Sensitivities

The ratings could be downgraded if new regulatory intervention, driven by non-compliance with the local prudential metrics or conduct standards, is brought on Freedom Life, combined with a failure by the majority

shareholder to support the company.

The ratings could be upgraded if Freedom Life strengthens its business profile on a sustained basis, reflected in larger and diversified business volumes, combined with adherence to sound underwriting and reserving practices.

#### RATING ACTIONS

ENTITY/DEBT	RATING	PRIOR
Joint-Stock Company Life Insurance Company Freedom Finance Life	Ins Fin Str B- ● Affirmed	B- ◆
	Natl Ins Fin Str BB-(kaz) ● Affirmed	BB-(kaz) ◆

Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

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### Applicable Criteria

Insurance Rating Criteria (pub. 11 Jan 2019)

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Dodd-Frank Rating Information Disclosure Form

Solicitation Status  
Endorsement Policy

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