



КАЗАХИНСТРАХ

САҚТАНДЫРУ КОМПАНИЯСЫ
СТРАХОВАЯ КОМПАНИЯ HALYK GROUP

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АО «Казакхстанская фондовая биржа»

ЗАЯВКА

АО «Казакхинстрах» (далее - Общество) в соответствии Листинговыми правилами (строка 9 таблицы 6 приложения 4.1.) АО «Казакхстанская фондовая биржа», Общество направляет следующую информацию о подтверждении рейтинга и пересмотре прогноза рейтинга с негативного на стабильный:

Присвоенный ранее международным рейтинговым агентством А.М.ВЕСТ рейтинг финансовой устойчивости АО «Казакхинстрах» на уровне «В++» (Good/Хороший) и кредитный рейтинг эмитента на уровне «bbb» подтвержден. Прогноз обонх рейтингов пересмотрен с негативного на стабильный.

Приложения: пресс релиз А.М.ВЕСТ.

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A.M. Best Revises Outlooks to Stable for Halyk-Kazakhinstrakh, Insurance Subsidiary Company of Halyk Bank of Kazakhstan, JSC

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FOR IMMEDIATE RELEASE

LONDON - JANUARY 18, 2018

A.M. Best has revised the outlooks to stable from negative and affirmed the Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating of "bbb" of **Halyk-Kazakhinstrakh, Insurance Subsidiary Company of Halyk Bank of Kazakhstan, JSC** (Kazakhinstrakh) (Kazakhstan). Kazakhinstrakh is a wholly owned subsidiary of JSC Halyk Bank (Halyk Bank), a leading retail bank in Kazakhstan.

The Credit Ratings (ratings) reflect Kazakhinstrakh's balance sheet strength, which A.M. Best categorises as very strong, as well as its strong operating performance, limited business profile and marginal enterprise risk management (ERM).

The revision of the outlooks to stable reflects Kazakhinstrakh's strong results in 2016 and the first eleven months of 2017, which demonstrate its resilience to difficult market conditions. Although underwriting performance has weakened in recent years, the company has produced a consistently good return on capital, retained its leading market position and continued to steadily implement its retail expansion strategy.

Kazakhinstrakh is one of the established leaders in the Kazakh non-life market, ranking third and second as measured by gross and net written premiums respectively in the first nine months of 2017. Historically, the company predominantly focused on corporate insurance but has expanded into the retail sector in recent years in response to deteriorating profit margins. In particular, it has increased its presence in the motor market and sought to actively leverage Halyk Bank's wide network of offices to support further expansion.

Operating performance has been consistently strong, driven by good underwriting performance and positive investment returns. In spite of a deterioration compared with pre-2015 levels, technical results have remained robust, with a combined ratio in the mid-90s expected for 2017 (2016: 91%). Prospective underwriting performance is expected to be in line with recent results. Kazakhinstrakh continues to produce a strong level of overall earnings, reflected in an expected return on capital of 15% for 2017, which is in line with historical performance.

Kazakhinstrakh's very strong balance sheet strength is underpinned by risk-adjusted capitalisation, assessed as strongest by A.M. Best, a relatively conservative investment allocation and a good level of financial flexibility. An offsetting rating factor is the company's management of catastrophe risk and uncertainty as to the adequacy of its reinsurance protection against catastrophe losses. The company's risk management framework is still developing and is based principally on regulatory requirements. Kazakhinstrakh benefits from the relatively stringent regulatory oversight in

Kazakhstan compared with other developing markets, as well as Halyk Bank's more developed ERM framework.

Kazakhinstrakh's financial strength is not considered to be currently affected by the weaker credit profile of its parent, Halyk Bank. This reflects A.M. Best's consideration of the regulatory protection that restricts extraction of capital from the insurer to its detriment.

This press release relates to Credit Ratings that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best's Recent Rating Activity web page. For additional information regarding the use and limitations of Credit Rating opinions, please view Understanding Best's Credit Ratings. For information on the proper media use of Best's Credit Ratings and A.M. Best press releases, please view Guide for Media - Proper Use of Best's Credit Ratings and A.M. Best Rating Action Press Releases.

A.M. Best is the world's oldest and most authoritative insurance rating and information source.