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«Freedom Finance Life» Өмірді сақтандыру компаниясы» АҚ	
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АО «Компания по страхованию жизни «Freedom Finance Life»	

АО «Казахстанская фондовая биржа»

22 октября 2019 года агентство Fitch Ratings повысило рейтинги финансовой устойчивости компании по страхованию жизни Freedom Finance Life до уровня «В» по международной шкале и «BB(kaz)» по национальной шкале. Прогноз по рейтингам – «Стабильный».

Повышение рейтинга последовало вслед за улучшением показателя маржи платежеспособности компании до 197% на конец сентября 2019 года. Это стало возможным благодаря дополнительной капитализации на 1 млрд тенге со стороны крупного акционера Тимура Турлова, а также росту чистой прибыли компании по итогам 9 месяцев 2019 года до уровня 528 млн тенге.

Ключевые рейтинговые факторы

Модернизация компании отражает укрепление её позиции, скорректированной на риски, восстановление бизнес-модели и улучшение финансовых показателей. В сентябре 2019 года крупный акционер инвестировал 1 млрд тенге для поддержания роста компании. В результате собственный капитал компании увеличился до 4,5 млрд тенге на конец сентября 2019 года, маржа платежеспособности выросла до 197%.

Fitch Ratings рассматривает бизнес-модель компании как устойчивую. Как итог на конец сентября 2019 года премии по страхованию жизни (включая пенсионный аннуитет и накопительное страхование жизни) выросли на 95%. Благодаря тому, что компания возобновила продажи продуктов пенсионного аннуитета, доля этого вида страхования увеличилась до 15% от валовых страховых премий.

На конец сентября 2019 года Freedom Finance Life также увеличила чистую прибыль до 528 млн тенге и рентабельность собственного капитала до 19%. Компания продолжает улучшать качество своего инвестиционного портфеля, дополнительно увеличив долю инструментов с фиксированным доходом до 77% от всех инвестиционных средств.

«Миссия нашей компании – «дать свободу принятия жизненно важных решений, основанную на уверенности в сегодняшнем и завтрашнем дне». Повышение

рейтинга – очередной шаг для её реализации. В 2019 году мы провели большую работу: докапитализировали компанию, возобновили продажи по пенсионному аннуитету, предложив рынку новый взгляд на продукт, запустили несколько новых страховых продуктов и проектов. Мы благодарны нашим клиентам и партнерам за доверие». – прокомментировал председатель правления Freedom Finance Life Азамат Ердесов.

По данным Национального банка РК по состоянию на 01.10.2019 года:

- Активы – 14 854 697 тыс. тенге.
- Страховые резервы – 9 630 123 тыс. тенге.
- Собственный капитал – 4 535 919 тыс. тенге.
- Уставный капитал – 3 087 268 тыс. тенге.

**С уважением,
Председатель Правления**



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Fitch Upgrades Freedom Life to IFS 'B'; Outlook Stable

Fitch Ratings - Moscow - 22 October 2019:

Fitch Ratings has upgraded Kazakhstan-based Joint-Stock Company Life Insurance Company Freedom Finance Life's (Freedom Life) Insurer Financial Strength (IFS) Rating to 'B' from 'B-' and National IFS Rating to 'BB(kaz)' from 'BB-(kaz)'. The Outlooks are Stable

Key Rating Drivers

The upgrade of Freedom Life reflects the strengthening of its risk-adjusted capital position, the recovery of its business model and its improved financial performance.

In September 2019 Freedom Life's controlling shareholder injected KZT1 billion to support the growth of the company. As a result the company's equity increased to KZT4.5 billion at end-9M19 from KZT3 billion at end-2018, and its regulatory solvency margin grew to 197% at end-9M19 from 160% at end-2018. Freedom Life score in Fitch's Prism Factor-based Capital Model (Prism FBM) remained 'Somewhat Weak' at end-2018, but we expect it to strengthen by end-2019 following the recent capital injection.

Fitch views the insurer's business model as resilient with the three-month licence suspension in 4Q18 having limited impact on business continuity.

Freedom Life managed to maintain its franchise although there were significant changes to the list of key customers and distribution partners. A regulatory ban to transfer the workers' compensation risks to non-life insurers introduced in July 2018 helped local life insurers, such as Freedom Life, to grow their net premiums volumes. It explains the insurer's slower growth rate of 36% in 9M19 (2018: 242%). However, Fitch notes that Freedom Life has been somewhat aggressive in writing some large accounts, resulting in potentially higher levels of loss ratios.

Life written premiums, including pension annuities and savings-type life insurance, grew by 95% in 9M19. In the savings-type life insurance FX-denominated products with an average guaranteed investment yield of 4% drove the growth in this particular line. At the same time, in 9M19 Freedom Life renewed sales of pension annuities products that were previously put on hold. As a result, the share of annuity insurance increased to 15% of gross written premiums.

Freedom Life saw an improvement in its net income to KZT528 million in 9M19 (2018: KZT393 million) and an annualised net income return on equity (ROE) to 19% in 9M19 (2018: 15%; 2017: 2%). Consistent with 2018, investment income was the main contributor to the company's net result.

The company remains exposed to a meaningful duration mismatch in its pension annuity book. The average duration of the liabilities-related annuity business was over 10 years at end-9M19, while the duration of its assets was significantly lower. The company's ability to reduce this is limited by a lack of long-dated assets in the local capital market.

At end-2018 and end-9M19, Freedom Life continued to improve the average credit quality of its investment portfolio, further increasing the share of fixed-income instruments of higher credit quality to 77% of all invested funds at end-9M19. At the same time the company significantly decreased its exposure to equity holdings.

RATING SENSITIVITIES

The ratings could be downgraded if Freedom Life's capital position or financial performance weakens significantly.

The ratings could be upgraded if Freedom Life substantially improves its business diversification while maintaining its current level of capitalisation. However, Fitch views this scenario as unlikely in the medium-term.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of 3. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or to the way in which they are being managed by the entity.

For more information on our ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

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

Additional information is available on www.fitchratings.com

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Applicable Criteria

Insurance Rating Criteria (pub. 11 Jan 2019)

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