



«Standard Life»
Өмірді сақтандыру компаниясы»
Акционерлік қоғамы

Акционерное общество
«Компания по страхованию жизни
«Standard Life»

Қазақстан Республикасы, индекс: АОСЕОА6 (050012),
Алматы қ., Алмалы ауданы, Қабанбай батыр к-сі, 186.
Тел.: 8 8000 700 800
E-mail: info@stdlife.kz, Website: www.stdlife.kz

Республика Казахстан, индекс: АОСЕОА6 (050012),
г. Алматы, Алмалинский район, ул. Кабанбай батыра, 186.
Тел.: 8 8000 700 800
E-mail: info@stdlife.kz; Website: www.stdlife.kz

№ 04-20-01-12/2824

« 13 » 11 2019 г.

АО «Казахстанская фондовая биржа»

г. Алматы, ул. Байзакова, д. 280, Бизнес Центр
«Алматы Тауэрс» Северная башня.

Акционерное Общество «Компания по страхованию жизни «Standard Life» (далее по тексту – «Эмитент») выражает Вам свое почтение и желает успехов в осуществлении профессиональной деятельности.

Настоящим письмом Эмитент сообщает, что 08 ноября 2019 года Международным рейтинговым агентством Fitch Ratings Эмитенту был подтвержден рейтинг финансовой устойчивости («РФУ») на уровне «В» и национального («РФУ») – «BBB – (kaz)». Прогноз стабильный.

Приложение:

1. Пресс-релиз о присвоении рейтинга (на английском языке)

Председатель Правления

Е. Конурбаев

Исполнитель:
Сатеев А., 266 11 98 (внут. 7205)
a.sateev@stdlife.kz

006693

FitchRatings

Fitch Affirms Kazakhstan's Standard Life at 'B'

Fitch Ratings - Moscow - 08 November 2019:

Fitch Ratings has affirmed Kazakhstan-based Joint-Stock Company Life Insurance Company Standard Life's (Standard Life) Insurer Financial Strength (IFS) Rating at 'B' and the National IFS Rating at 'BBB-(kaz)'. The Outlooks are Stable.

Key Rating Drivers

The ratings reflect Standard Life's weak risk-adjusted capital position, less favourable business profile and high duration mismatch between the company's long life insurance reserves and significantly shorter investment instruments backing those reserves. These factors are partially offset by the insurer's improved investment risk and robust financial performance.

Standard Life's risk-adjusted capital position, as measured by Fitch's Prism Factor-Based Model (Prism FBM) score, remained below 'Somewhat Weak' and weakened further at end-2018 from end-2017. Its target capital grew in line with notable growth in the pension annuities business, while available capital was eroded by a significant KZT1.5 billion dividend outflow. The insurer's risk-adjusted capital position remains under pressure from significant profit repatriation - in May 2019 the shareholders withdrew a further KZT800 million. However, Standard Life remains compliant with regulatory capital requirements, with a solvency margin of 146% at end-9M19 (end-2018: 182%).

Fitch assesses Standard Life's business profile as less favourable than other Kazakh players' due to the insurer's small size and limited diversification of the insurer's distribution channels. In the non-life segment net business volumes doubled due to the regulatory ban to transfer workers' compensation risks to non-life insurers from July 2018. Fitch notes that Standard Life managed to achieve the double-digit growth in this segment without accepting major local accounts with an unfavourable claims history.

On the life insurance side, net business volumes grew by 169% in 9M19 from 9M18, with pension annuity business driving the growth and accounting for 51% of net written premiums in 9M19. Standard Life increased sales of protection-type insurance policies which accounted for 7% of net written premiums in 9M19 compared to 1% in 9M18.

Like its local peers Standard Life remains exposed to a meaningful duration mismatch on its balance sheet, driven by the pension annuity business. 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 constrained by the lack of long-dated assets in the local capital market.

Standard Life saw a notable improvement in the average credit quality of its investment portfolio as the share of investment-grade bonds grew to 44% at end-9M19 from 21% at end-2018. The company simultaneously reduced its exposure to lower-rated bank deposits. The share of deposits placed with B-rated banks decreased to 18% at end-9M19 from 61% at end-2018. Fitch views the strengthening of the investment portfolio as credit-positive.

In 9M19 Standard Life reported a strong net income of KZT883 million, with an annualised net income return on equity of 32% (2018: 15%). As in prior years the investment component contributed significantly to

the net result. The company managed to report a positive non-life underwriting result despite a doubling of expenses in 9M19. Fitch expects the administrative expense burden to constrain profitability.

RATING SENSITIVITIES

The ratings could be upgraded if Standard Life improves its business diversification and reduces the mismatch between its assets and liabilities provided that the company adheres to sound underwriting practices and maintains the credit quality of its investment portfolio.





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

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 - Standard Life	Ins Fin Str B  Affirmed	B 
	Natl Ins Fin Str BBB-(kaz)  Affirmed	BBB-(kaz) 

Additional information is available on www.fitchratings.com

FITCH RATINGS ANALYSTS

Primary Rating Analyst
Anastasia Surudina
Associate Director
+7 495 956 5570
Fitch Ratings CIS Ltd
Business Centre Light House, 6th Floor 26 Valovaya St.
Moscow 115054

Secondary Rating Analyst
Anastasia Litvinova
Director
+7 495 956 7082

Committee Chairperson
Willem Loots, FIA
Senior Director

+44 20 3530 1808

MEDIA CONTACTS

Athos Larkou
London
+44 20 3530 1549
athos.larkou@thefitchgroup.com

Applicable Criteria

Insurance Rating Criteria (pub. 11 Jan 2019)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form
Solicitation Status
Endorsement Policy

DISCLAIMER

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. DIRECTORS AND SHAREHOLDERS RELEVANT INTERESTS ARE AVAILABLE AT [HTTPS://WWW.FITCHRATINGS.COM/SITE/REGULATORY](https://www.fitchratings.com/site/regulatory). FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

COPYRIGHT

Copyright © 2019 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is

offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete.

Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Endorsement Policy

Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

Fitch Updates Terms of Use & Privacy Policy

We have updated our Terms of Use and Privacy Policies which cover all of Fitch Group's websites. [Learn more.](#)