S&P Global
Ratings

Research

Eurasia Insurance Upgraded To 'BBB+'; Eurasia Life Upgraded To 'BBB'; Outlook Stable

September 10, 2026

- The operating performance of the Eurasia Insurance group (Eurasia; including the property and casualty [P/C] and life businesses) remained profitable over the past five years and improved further in first-half 2026, with its annualized return on equity (ROE) reaching 32%.
- Eurasia has maintained a relatively prudent investment allocation over the past five years, with its weighted-average credit quality remaining in the 'BBB' category; it has also managed its exposure to foreign currency risks and catastrophe risks.
- We raised our long-term ratings on Eurasia Insurance to ‘BBB+’ from ‘BBB’ and our ratings on its highly strategic subsidiary Eurasia Life to ‘BBB’ from ‘BBB-‘.
- The stable outlook reflects our expectation that the group will sustain its strong competitive position, solid capital adequacy well above the 99.99% level, and profitable underwriting and investment results over the next two years.

DUBAI (S&P Global Ratings) Sep. 10, 2026--S&P Global Ratings today raised its long-term issuer credit and insurer financial strength ratings on Eurasia Insurance Co. to ‘BBB+’ from ‘BBB’. We also raised our long-term issuer credit and insurer financial strength ratings on Eurasia Life JSC to ‘BBB’ from 'BBB-'. The outlook on both companies is stable.

At the same time, we affirmed our 'kzAAA' Kazakhstan national scale ratings on both entities.

Eurasia’s operating performance has remained profitable in recent years, improving further in first-half 2026. Its annualized ROE increased to 32% from 22% in 2025. This improvement is driven by stronger technical profitability supported by lower-than-expected catastrophe losses and the appreciation of the Kazakhstani tenge against the U.S. dollar, which resulted in favorable revaluations of foreign currency-denominated claims and liabilities. The results also reflect Eurasia’s multiyear strategic effort to optimize its portfolio by shifting toward more profitable lines and reducing the share of lower-margin products, such as compulsory third-party motor liability insurance. The contribution to both top- and bottom-line results has further grown from the rapidly expanding life insurance segment, specifically pension annuities written by Eurasia Life. Eurasia Life’s contribution to the group’s net income rose to approximately 20% in first-half 2026, compared with 14% in first-half 2025 under International Financial Reporting Standards 17. While we project a normalization of technical profitability on expected softening of reinsurance pricing in 2026-2027, we expect the net combined ratio to remain strong at 75%-80%

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(outperforming the expected Kazakhstani market average of 85%), with ROE remaining sustainable at 15%-20%.

We anticipate Eurasia will adhere to its relatively prudent investment allocation. The group holds about 80% of total invested assets in instruments rated ‘BBB’ and above, while the total share of high risky assets including speculative-grade bonds and deposits, equity and real estate investments accounts for about 20%, which is comparable with that of local and international peers.

Eurasia has successfully managed currency risk over the past decade. As of June 30, 2026, the group’s exposure to foreign currency risk--with approximately 30% of invested assets denominated in foreign currencies--is largely mitigated by its inward reinsurance liabilities, which are denominated in those currencies. This asset-liability matching partially protects both financial results and the capital position from foreign exchange fluctuations. However, a sizable unhedged long currency position remains, which presents a risk of volatility in investment income.

Eurasia’s prudent retention policies and reinsurance protection mitigate its exposure to catastrophe risk, which help prevent significant losses. Furthermore, since 2024, the group has maintained a comprehensive catastrophe excess-of-loss reinsurance program to protect its domestic property insurance portfolio.

The insurer’s liquidity profile benefits from the availability of liquid sources, such as premium income and a liquid investment portfolio. At year-end 2025, stressed liquid assets (adjusted to pledged securities) exceeded stressed liabilities by about 3.2x, which we consider exceptional. We expect the company will maintain its liquidity ratio above 2.2x over the next 12-24 months.

Eurasia passes our hypothetical sovereign stress test and is rated one notch above our sovereign ratings on Kazakhstan. The group benefits from a sizable portfolio of international inward reinsurance business backed by highly rated invested assets outside Kazakhstan. Eurasia's very strong capital and earnings and sufficient liquidity levels are due to the better quality of investment instruments. These factors combined let the group pass a severe hypothetical sovereign stress test associated with a hypothetical Kazakhstan sovereign default.

We consider Eurasia Life a highly strategic subsidiary of Eurasia Insurance. This reflects a strong commitment of support from the parent and close integration between the two entities. We expect Eurasia Insurance will remain supportive to Eurasia Life. We rate Eurasia Life one notch below Eurasia Insurance. We consider Eurasia Insurance ready to support Eurasia Life in almost all foreseeable circumstances. However, we do not equalize the ratings on the two entities because we consider Eurasia Life a highly strategic subsidiary of Eurasia Insurance, which is gradually developing itself on the open market and establishing its own client base and own risk framework.

The stable outlook reflects our expectation that the insurer will sustain its strong competitive position underpinned by its leading position in the direct P/C insurance market in Kazakhstan. We think the company will continue its profitable diversification into international inward reinsurance markets. We also think it will maintain its very strong capital adequacy and earnings and sufficient level of liquidity, enabling it to consistently pass our hypothetical sovereign stress test over the next two years.

The stable outlook on Eurasia Life reflects that on Eurasia Insurance. The ratings on Eurasia Life are likely to move in tandem with those on Eurasia Insurance, unless we revise our view of Eurasia Life's group status.

We could lower the ratings on Eurasia over the next two years if, contrary to our expectations:

- The group changed its investment strategy or capital and liquidity management such that it no longer passed our hypothetical sovereign stress test.
- Its profitability deteriorated materially over a prolonged period due to adverse claims and costs development in international or local markets.

We could also take a negative rating action if we lowered our ratings on the sovereign, which is not our base-case scenario, and if the company's potential support to its subsidiary, Eurasia Life, had a negative impact on its own creditworthiness.

We consider an upgrade over the next two years unlikely because we think the rating on Eurasia could be sensitive to transfer and convertibility (T&C) risks of Kazakhstan (we currently see T&C assessment on Kazakhstan at ‘BBB+’).

For a positive rating action, we expect to see the company maintains unencumbered access to sufficient foreign currency assets outside Kazakhstan to cover insurance liabilities from its international reinsurance business. An upgrade would also require that Eurasia Insurance continue to profitably expand and diversify its insurance and investment operations while sustaining the current capital adequacy and building up capital in absolute terms.

We could also take a positive rating action on Eurasia Life if the company continued to grow profitability and its contribution to the group’s revenue and earnings continued to increase.

Related Criteria

- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov. 15, 2023
- General Criteria: National And Regional Scale Credit Ratings Methodology, June 8, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Kazakhstan Upgraded To 'BBB/A-2' On Resilient Economic Growth And Fiscal Effort; Outlook Stable, Aug. 21, 2026

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.