

Freedom Holding's Subsidiaries Earn Upgraded Credit Ratings Amidst Steady Growth and Strengthened Compliance



FREEDOM HOLDING CORP.

New York City, New York Dec 15, 2024 ([IssueWire.com](https://www.issuewire.com)) - S&P Global Ratings has upgraded the credit ratings of four key subsidiaries of Freedom Holding Corp., the Nasdaq-listed U.S.-based diversified financial services company. The international rating agency has raised the long-term issuer credit ratings of Freedom Finance, a Kazakhstan-based market broker; Freedom Finance Global, a company providing access to international markets; Freedom Finance Europe, a European broker; and Freedom Bank Kazakhstan, from 'B' to 'B+' and affirmed their short-term ratings at 'B.' The rating of Freedom Holding Corp. itself was affirmed at 'B-' with a 'stable' outlook.

"This upgrade reflects the efforts and progress we've made in strengthening our operations and governance. Our focus on diversification, compliance and sustainable growth will continue to drive our success," Freedom Holding said in a statement.

In addition, the national scale ratings for two of its subsidiaries were upgraded to 'kzBBB' from 'kzBBB-'.

Freedom Holding operates the largest retail brokerage franchise in Kazakhstan and has a growing presence in Europe. The upgrades demonstrate the strength of the holding company. Freedom is also developing a comprehensive ecosystem in Kazakhstan and its businesses include insurance and lifestyle companies. The holding has streamlined traditionally complex processes, such as insurance claims and mortgages, and aims to build meaningful relationships with its customers.

The company plans to expand internationally and continuously evaluates opportunities in emerging and developed markets while maintaining strict compliance policies.

S&P also noted Freedom Finance's steady growth and geographic diversification of revenues, which is important for the company's capitalisation. The stable outlook reflects the analysts' confidence in the sustainable development of all holding structures and their financial stability.

"The holding is developing a risk management and compliance system within its complex structure with many subsidiaries in different jurisdictions. We expect that moderate business growth combined with strong earnings, diversified by sources and geographies, will help maintain Freedom's strong capitalization," the rating agency said.

However, the report cautioned against too rapid franchise expansion as this could strain the holding company's ability to manage consolidated risks and potentially put pressure on its capitalisation. On the other hand, Freedom Holding's outlook could be upgraded in the future if it demonstrates effective risk management, expands cross-selling opportunities between its subsidiaries and consolidates its franchise while maintaining strong capitalization.

Freedom Holding Corp. provides financial services in 22 countries, including Kazakhstan, the United States, Cyprus, Poland, Spain, Uzbekistan and Armenia. Its head office is in New York. The holding has posted strong financial results for the six months ended 30 September, reporting record total revenues of \$1.03 billion, up 33.4% from \$751.8 million in the same period last year. Freedom Holding's net profit for the same period increased by 82% to \$375 million, and the total assets also saw an increase, reaching \$8.82 billion compared to \$8.30 billion in March 2024.

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