

ANNOUNCEMENT

UAPF JSC fulfilled about 1.8 million applications for housing and medical treatment

About **1.8 million** applications received from almost 1 million depositors, in the amount of about **KZT3.6 trillion**, were executed by UAPF JSC (hereinafter - UAPF) in order to improve living conditions and (or) pay for medical treatment. As you know, pension savings can be used by contributors (beneficiaries) an unlimited number of times for withdrawal for housing and (or) medical treatment within the available amount of pension savings, as well as for transfer to management of an investment portfolio manager (hereinafter - IPM).

Housing

In the period from January 2021, **as of July 1, 2023**, the UAPF executed **1,371,907 applications** from contributors (beneficiaries) for lump-sum pension benefit payments *to improve housing conditions*. UAPF transferred more than **KZT3.2 trillion** to special accounts of Kazakhstanis opened in banks-authorized operators. At the same time, the average amount of lump-sum pension benefit payments amounted to about **KZT2.35 million**.

The residents of Almaty (17.79%), Astana (12.54%), Mangistau region (9.47%), Karaganda region (7.86%) took the most active part in this direction. Detailed information is available on the website www.enpf.kz in the “Indicators” section: for what purposes Kazakhstanis apply for lump-sum pension benefit payments and by regions (subsections “Lump-sum pension benefit payments for improving housing conditions by goals” and “Lump-sum pension benefit payments for improving housing conditions, respectively).

When analyzing the purposes for which pension savings are used, the following conclusions were made. About 35.63% of all applications are the acquisition of a dwelling in the ownership of civil law transactions (final settlement) and the construction of an individual residential building (if the land is owned), 21.08% of applications - in order to replenish the contribution to housing construction savings for further accumulation, 15.74% - for the purpose of partial repayment of debt on a mortgage housing loan (including within the framework of financing by an Islamic bank), 15.04% - for the purpose of partial repayment of debt on a mortgage loan under the system of housing construction savings.

To date, authorized operator banks that accept applications from citizens for the use of part of pension savings are the Otbasny Bank Housing Construction Savings Bank JSC, Halyk Bank of Kazakhstan JSC, Altyn Bank JSC, Bank CenterCredit JSC and Bank Freedom Finance Kazakhstan JSC.

It should be noted that **KZT475.2 billion** was returned by authorized operators to individual pension saving accounts (hereinafter referred to as IPSA) of contributors (beneficiaries) due to the fact that lump-sum pension payments by Kazakhstanis were not used on time, at the request of the applicant and for other reasons.

Medical treatment

UAPF also executed **423,294 applications** to pay *for medical treatment* in the amount of **KZT344.4 billion**. The average withdrawal amount is about KZT0.8 million.

96.25% of applications are related to dental services, 2.67% of applications are eye care services, about 1% of pension savings are used for other medical services.

At the same time, **KZT33.7 billion** was returned to the IPSA of contributors (beneficiaries) in the UAPF, these funds were not used on time, at the request of the applicant and for other reasons.

You can get acquainted with the current statistics on the use of pension savings for treatment on the website www.enpf.kz in the section "Indicators" - "Lump-sum pension benefit payments for medical treatment".

Private investment management

As of **July 1** of this year, from February 18, 2021, **KZT8.9 billion** was transferred to **IPM**, 5,991 applications were executed by UAPF. The average transfer amount is about **KZT1.5 million**. Detailed statistics on the transfer of pension savings to trust management is also available on the enpf.kz website in the section "Indicators" - "Transfer of pension savings to management companies".

At the moment, UAPF has concluded agreements on trust management of pension assets with five IPMs. You can get acquainted with information about them and study their investment declarations on the website enpf.kz in the section "Services" - "Register of Investment Portfolio Managers".

It should be noted that out of KZT8.9 billion, **44.22%** or **KZT3.95 billion** were transferred to Jusan Invest JSC, **28%** or **KZT2.5 billion** to Halyk Global Markets JSC, **16.16%** or **KZT1, 44 billion** in BCC Invest JSC, **10.02%** or **KZT895 million** in Centras Securities JSC, **1.6%** or **KZT143 million** in Halyk Finance JSC.

Contributors have the right to submit to the UAPF an application for changing the IPM - to transfer their pension savings from one IPM to another IPM (not earlier than one year from the date of the initial transfer of pension savings to IPM trust management). For the period from March 2022 to June 2023, 91 applicants changed their decision to choose IPM: UAPF executed 126 applications for transfer from one IPM to another IPM for a total of KZT344 million.

Contributors also have the right to return their savings to the management of the NBRK after the initial transfer of pension savings to IPM management. 211 people used this right. From March 15 to June 30, 2023, UAPF executed 361 applications for the transfer of funds to the NBRK from IPM for a total amount of KZT1.4 billion.

Recall that from July 1, 2023, the period for the return of pension savings from the IPM management to the NBRK management was shortened. Now an application for the return of savings from IPM to the NBRK can be submitted to the UAPF not after two years, but one year from the date of transfer of savings to IPM. If the pension savings were transferred several times to the management of the same IPM, then the return of the savings to the management of the NBRK can be made one year from the date of the **initial** transfer of the savings to the IPM.

It should be noted that after receiving pension assets, IPM invests them in permitted financial instruments specified in the *Rules for the implementation of investment portfolio management activities*, approved by the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated February 3, 2014 No. 10, and provided for in the IPM Investment Declaration.

During the period when pension savings are under the management of the NBRK until the contributor reaches retirement age, a state guarantee of the safety of pension savings is in effect, taking into account the level of inflation. When transferring pension savings under the management of IPM, the state guarantee is replaced by the guarantee of the management company to ensure the minimum level of return on assets, which is calculated based on the weighted average return on pension assets transferred to the management of all IPM operating in the pension asset management market.

The UAPF was established on August 22, 2013 on the basis of GNPF APF JSC. The UAPF founder and shareholder is the Government of the Republic of Kazakhstan represented by the State Institution "Committee of State Property and Privatization"

of the Ministry of Finance of the Republic of Kazakhstan. UAPF pension assets are managed by the National Bank of the Republic of Kazakhstan. From January 1, 2016, the functions for developing proposals to improve the management of pension assets were transferred to the National Fund Management Council. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, pension benefits, individual accounting of pension accumulations and benefits, provides the contributor (beneficiary) with information on the status of his pension accumulations (for more information visit www.enpf.kz)