

## ANNOUNCEMENT

### **More than 3.5 trillion tenge of pension savings have been used by Kazakhstanis for the purchase of housing and/or medical treatment**

Over 1.7 million applications from approximately 1 million applicants, totaling more than 3.5 trillion tenge, have been fulfilled by the UAPF for the purpose of purchasing housing and/or medical treatment. It is worth noting that pension savings can be used by citizens an unlimited number of times within the amount of pension savings available for withdrawal from the UAPF for housing, medical treatment, or transfer to asset management companies.

#### **For housing**

As of June 1, 2023, since January 2021, the UAPF has fulfilled **1,366,484 applications** from depositors (recipients) for the use of pension savings to improve housing conditions. Over **3.2 trillion tenge** has been transferred by the UAPF to special accounts opened in authorized banks for Kazakhstanis. The average amount of one-time pension payments amounted to approximately **2.4 million tenge**.

The highest number of fulfilled applications is submitted by residents of Almaty city (17.57%), Astana city (13.95%), and Mangystau region (10.32%). Detailed information on the purposes for which Kazakhstani citizens plan to use one-time pension payments, categorized by regions, can be found on the website [www.enpf.kz](http://www.enpf.kz) in the "Indicators" section (the information is available in subsections titled "One-time pension payments for improving housing conditions by purpose" and "One-time pension payments for improving housing conditions by regions").

Analyzing the purposes for which depositors (recipients) use their savings, the following conclusions can be drawn: 35.66% of all applications are for the acquisition of property through civil-law transactions (final settlement) and the construction of an individual residential house (if they own a land plot), 21.06% of the applications are for replenishing the deposit in housing construction savings for further accumulation, 15.74% for partial repayment of mortgage housing loans (including financing by an Islamic bank), and 15% for partial repayment of mortgage loans under the housing construction savings system.

As of today, the authorized operators accepting applications for the use of a portion of pension savings are JSC "Housing Construction Savings Bank "Otbasy Bank," JSC "Halyk Bank of Kazakhstan," JSC "Altyn Bank," JSC "Bank Center Credit," and JSC "Bank Freedom Finance Kazakhstan."

It is worth noting that over **472.3 billion tenge** has been returned to the individual pension accounts (IPAs) of depositors (recipients) by authorized operators. This is due to the fact that the one-time pension payments were not used by individuals within the specified timeframe, upon the request of the applicant, and other reasons.

#### **For medical treatment**

For medical treatment purposes, the UAPF has also fulfilled **418,547 applications** with a total amount of **339.3 billion tenge**. The average withdrawal amount is **0.8 million tenge**.

96.2% of applications were fulfilled for obtaining dental services, while 2.7% were for ophthalmological services. Less than 2% of pension savings were used for other medical directions.

However, a total of **33.4 million tenge** has been returned to the individual pension accounts (IPAs) of depositors (recipients) in the UAPF. This amount was not utilized within the specified timeframe, based on the applicant's request and other reasons.

The updated statistics on the use of pension savings for medical treatment can be found on the website [www.enpf.kz](http://www.enpf.kz) under the "Indicators" section - "One-time pension payments for medical treatment."

### **In private management**

As of June 1 of the current year, a total of **8.9 billion tenge** has been transferred to investment portfolio managers (IPMs) since February 18, 2021. The UAPF has fulfilled **5,980 applications** in this regard. The average transfer amount is approximately **1.5 million tenge**. Detailed statistics on the transfer of pension savings to asset management companies are also available on the website [enpf.kz](http://enpf.kz) under the "Indicators" section - "Transfer of pension savings to asset management companies".

Currently, the UAPF has entered into agreements for the trust management of pension assets with five IPMs. Information about them and their investment declarations can be found on the [enpf.kz](http://enpf.kz) website under the "Services" section - "Registry of investment portfolio managers". It is worth noting that out of the **8.9 billion tenge**, **44.3% or 3.95 billion tenge** has been transferred to JSC "Jusan Invest," **28.0% or 2.5 billion tenge** to JSC "Halyk Global Markets," **16.1% or 1.4 billion tenge** to JSC "BCC Invest," **10.0% or 895 million tenge** to JSC "Centras Securities," and **1.51% or 135 million tenge** to JSC "Halyk Finance."

After the initial transfer of pension assets to the trust management of IPMs, depositors have the right to submit a request to the UAPF **no more than once a year** to transfer their pension savings from one IPM to another. During the period from March 16, 2022, to May 31, 2023, 85 applicants changed their decision regarding the selection of an IPM. The UAPF fulfilled 115 transfer requests from one IPM to another, totaling 342 million tenge.

164 individuals decided to return their savings to the management of the National Bank of Kazakhstan (NBK) **two years after** the initial transfer of pension savings to IPMs. From March 15 to May 31, 2023, the UAPF fulfilled 267 transfer requests from IPMs to the NBK, amounting to a total of 1.1 billion tenge.

It should be noted that after receiving pension assets from the UAPF, the IPM invests them in permitted financial instruments specified in the Rules for the Implementation of Activities for Investment Portfolio Management, approved by the resolution of the Board of the National Bank of Kazakhstan No. 10 dated February 3, 2014, and provided in the Investment Declaration of the IPM.

During the period when pension savings are managed by the National Bank of Kazakhstan until the depositor reaches retirement age, there is a guarantee of preserving the pension savings taking into account the inflation rate. When transferring pension savings to the management of an IPM, the state guarantee is replaced by a guarantee from the asset management company to ensure a minimum level of profitability of pension assets, which is calculated based on the weighted average return on pension assets transferred to the IPM for management and prevailing in the market.

*UAPF was established on August 22, 2013 on the basis of JSC NPF GNPF. The founder and shareholder of the UAPF is the Government of the Republic of Kazakhstan, represented by the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan. The National Bank of the Republic of Kazakhstan is responsible for the trust management of pension assets of UAPF. As of January 1, 2016, the functions related to developing proposals to improve the efficiency of pension asset management were transferred to the Management Council of the National Fund. In accordance with the pension legislation, the UAPF is responsible for collecting mandatory pension contributions, mandatory professional pension contributions, voluntary pension contributions, pension payments, individual accounting of pension savings and payments, and providing contributors (recipients) with information about the state of their pension savings (for more details, please visit [www.enpf.kz](http://www.enpf.kz))*