

ANNOUNCEMENT

Kazakhstan's pension system has strengthened its position in the Mercer CFA Global Pension Index 2025.

In 2025, Mercer and CFA Institute, together, ranked the pension systems of 52 countries (compared to 48 countries in 2024), accounting for 65% of the world's population. According to the annual Mercer CFA Institute Global Pension Index (MCGPI), Kazakhstan's pension system ranked 26th, ahead of the United States, Spain, Italy, Austria, Japan, South Korea, China, and other countries.

Kazakhstan's overall MCGPI score increased from 64.0 in 2024 to 65.0 in 2025, primarily due to updated economic growth data published by the International Monetary Fund. Kazakhstan moved up to Group B, up from the previous year's C+ level, reflecting the balance and consistency of its pension policy.

As a reminder, the study is based on three sub-indices: "Adequacy," "Sustainability," and "Integrity," comprising more than 50 indicators. To ensure a comprehensive and objective assessment of pension systems based on these indicators, data from open international sources, including the OECD, the World Bank, the International Labor Organization, the Economist Group's research and analysis division, and others, was used.

Kazakhstan's overall pension system performance in 2025 was calculated by summing the weighted results of the sub-index assessments:

- 47.0 points for the Adequacy sub-index, compared to 45.8 points in 2024 (40% of the total: Kazakhstan is ahead of South Korea, Indonesia, South Africa, and other countries)
- 74.2 points for the Sustainability sub-index, compared to 73.1 points in 2024 (35% of the total: Kazakhstan is ahead of Switzerland, Japan, China, New Zealand, Finland, Canada, Norway, France, the United States, and many other countries)
- 81.1 points for the Integrity sub-index, compared to 80.4 points in 2024 (25% of the total: Kazakhstan's score is higher than that of Denmark, the United Kingdom, the United States, China, Japan, South Korea, and other countries).

Recommendations from international experts

As in the previous two years, Mercer CFA experts recommend that Kazakhstan continue to improve its pension system in the following areas:

- Increasing the minimum level of support for the most vulnerable categories of pensioners;
- Incentivizing citizens to increase the volume of voluntary pension contributions;
- Limiting early withdrawal of savings to preserve the long-term potential of the system;
- Developing mechanisms to extend the active working life of elderly citizens;
- Introducing the practice of informing contributors about projected pension benefits in individual statements.

Global context

In the 2025 ranking, the **Netherlands** took first place (85.4 points), followed by **Iceland** (84.0) and **Denmark** (82.3). These countries traditionally demonstrate the highest results in the ranking. In 2025, the pension systems of four countries were included in the index for the first time: Kuwait, Namibia, Oman, and Panama.

The average score among all countries was **64.5**, demonstrating the gradual strengthening of the sustainability of pension systems in the face of demographic challenges.

Important aspects of investment activity highlighted in the MCGPI report

The Mercer CFA Global Pension Index 2025 report notes that governments around the world regulate, restrict, or otherwise influence pension fund investments in an effort to ensure the safety of citizens' savings and the sustainability of national pension systems. There are two main approaches to investment regulation:

- **the "prudent investor" principle**, where managers act prudently, guided by established asset management principles, as if they were managing their own funds;
- **the principle of restrictions** and defined limits on investments in specific asset classes and the share of foreign investment. Countries with more flexible regulations performed better in the ranking. Of the 52 pension systems analyzed, only 12 do not have strict investment restrictions, and nine of them were among the top performers.

The report emphasizes that restrictions on pension fund investments have two goals:

1. Ensuring the reliability of the pension system and the safety of contributors' funds through asset diversification, risk management, and limiting investments in risky instruments;
2. Supporting the development of domestic financial markets, which contributes to strengthening the local capital market, developing infrastructure, and improving financial literacy.

Explicit restrictions, according to experts, can reduce returns and hinder diversification.

The report also outlines eight principles for creating a balance between the interests of pension system participants and the national interests of the country when carrying out investment activities:

- Providing contributors with a decent retirement income;
- Integrity in the trust management of pension assets;
- Reliable and transparent investment management, taking into account the balance of returns and risks over the long term;
- Full access of pension funds to financial markets and investment opportunities;
- State incentives for investment in national projects, taking into account the interests of pension system participants and the decisions of pension funds;
- Cooperation between pension funds and the state to expand investment opportunities;
- Ensuring the transparency of the state's operations through public disclosure of information on portfolio composition, returns, and risks, without limiting the investment opportunities of pension funds;
- Consideration of the macroeconomic situation, i.e., given the significant role of pension assets in the economy, the state must consider the relationship between its fiscal and social policies and pension fund investments and their impact on pensioners.

The report notes that, according to the World Economic Forum, financial security plays a key role in addressing the demographic and economic challenges associated with global population aging and

increasing life expectancy. The forum identified three priority areas that have the greatest impact on citizens' pension levels:

- Ensuring a basic (guaranteed) pension for all;
- Increasing the accessibility of well-managed and cost-effective pension plans;
- Supporting initiatives aimed at increasing pension contribution levels.

UAPF was founded on August 22, 2013 on the basis of GNPF APF JSC. The founder and shareholder of the UAPF 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. Trust management of UAPF pension assets is carried out by the National Bank of the Republic of Kazakhstan. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, employer's compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, as well as carries out enrollment and accounting of voluntary pension contributions formed at the expense of the unclaimed amount of guaranteed compensation for the guaranteed deposit, transferred by the organization carrying out mandatory guarantee of deposits, in accordance with the Law of the Republic of Kazakhstan "On mandatory guarantee of deposits placed in second-tier banks of the Republic of Kazakhstan", ensures the implementation of pension benefits. The Fund also carries out accounting of target assets and target requirements, accounting and crediting of target savings (TS) to target savings accounts, payments of TS to their recipients in bank accounts, accounting for returns of TS in the manner determined by the Government of the Republic of Kazakhstan within the framework of the National Fund for Children program (More details at www.enpf.kz).