

ANNOUNCEMENT

The rate of use of pension savings for alternative purposes is declining

As of **November 1, 2022**, from January 2021, the UAPF has executed **1,336,516** applications from contributors (beneficiaries) for the use of pension savings to improve housing conditions. About **KZT3.2 trln** was transferred to the special accounts of Kazakhstanis opened in banks-authorized operators. The average amount of lump-sum pension payments amounted to about **KZT2.4 mln**. It should be noted that the rate of withdrawal of pension savings is declining. For example, in October 2022, 2,993 applications were executed in the amount of KZT7.5 bln. For comparison, in October 2021, 35,434 applications were executed in the amount of KZT87.8 bln.

As before, the majority of executed applications fall on the share of residents of Almaty (17.61%), Astana (14%), Mangistau region (10.33%). On the website www.enpf.kz in the section "Indicators" there is detailed information - for what purposes do Kazakhstanis plan to use lump-sum pension payments, incl. by regions (subsections "[Lump-sum pension benefits for improving housing conditions by purpose](#)" and "[Lump-sum pension benefits for improving housing conditions](#)", respectively).

Analyzing the purposes for which contributors (beneficiaries) use their savings, the following main directions can be noted. Most often (about 36% of all applications) - this is the acquisition of a dwelling in the ownership of civil law transactions (final settlement) and the construction of an individual residential building (if there is a land plot in the property). More than 21% of applications were executed for use by contributors (beneficiaries) of pension funds under housing construction savings programs. Another 21% of applications were executed in order to replenish the contribution to housing construction savings for further accumulation. Approximately 20% of applications were executed for making a down payment for obtaining a mortgage housing loan for the purchase of a home (including within the framework of financing by an Islamic bank), full and partial repayment of debt on a mortgage housing loan and its refinancing.

It should be noted that **KZT456.3 bln** was returned to individual pension saving accounts (IPSA) of contributors (beneficiaries) from authorized operators due to the fact that lump-sum pension benefits by Kazakhstanis were not used within the time limits established by law, at the request of the applicant and for other reasons.

UAPF also executed **395,730 applications** for medical treatment for a total amount of **KZT311.1 bln**. At the same time, the average withdrawal amount is about **KZT0.8 mln**. In October this year, 2,362 applications were executed in the amount of about KZT3 bln (for comparison: in the same month last year - 12,462 applications in the amount of KZT10.8 bln).

Most often (more than 96% of applications), Kazakhstanis use their savings for medical purposes for dental services. Only 2.8% of applications were executed for the purpose of receiving ophthalmological services. Less than 1% of pension savings were used for other medical areas

At the same time, about **KZT31.9 bln** was returned to the IPSA of contributors (beneficiaries) in the UAPF from the authorized operator (Housing Construction Savings Bank Otbasay Bank JSC). These funds were not used within the time limits established by law, 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 medical treatment on the website www.enpf.kz in the section "Indicators" - "[Lump-sum pension benefits for medical treatment](#)".

As of November 1 of this year, about **KZT8.7 bln** based on **5,891 applications** was transferred into the investment portfolio manager (IPM). At the same time, the total number of unique applicants is 3,379 people, which means that there are contributors who have decided to transfer part of their savings to several management companies. The average transfer amount is about **KZT1.5 mln**.

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 four 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](#)".

Recall that after receiving pension assets from the UAPF, the 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 Investment Declaration of the IPM.

Under the Law on the pension provision, IPMs are entitled to charge an investment management fee. The maximum amount of remuneration of the IPM cannot exceed 7.5% of the received investment income. The actual amount of the commission fee is annually approved by the management body of the IPM and may change no more than once a year. Information on the commission fee of the IPM is also available on the website enpf.kz.

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