

## ANNOUNCEMENT

### How Kazakhstanis use their pension savings

From January 2021, as of **December 1, 2022**, the UAPF has executed **1,340,016** applications from contributors (beneficiaries) for the use of pension savings to improve housing conditions. About **KZT3.2 trillion** was transferred to the special accounts of Kazakhstanis opened in banks-authorized operators. The average amount of lump-sum pension benefits amounted to about **KZT2.4 million**. However, it should be noted that this figure is different in different regions. For example, residents of the Mangistau region use an average of KZT3.8 million, the North Kazakhstan region - KZT1.2 million.

On the website [www.enpf.kz](http://www.enpf.kz) in the "Indicators" section there is detailed information - for what purposes Kazakhstanis used / 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). The posted data show that the majority of executed applications still fall on the share of residents of Almaty (17.4%), Astana (14%), Mangistau region (10.33%).

About **KZT458.4 billion** 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.

Analyzing the purposes for which contributors (beneficiaries) use their savings, the following main directions can be noted. Most often (35.75% of all executed applications) 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 ownership). About 21% of applications are for replenishment of the deposit in housing construction savings for further accumulation. Approximately the same number of applications (20.88%) - for the use of pension savings by contributors (beneficiaries) under the system of housing construction savings. About 20% of applications were executed for the purpose of using a residential mortgage loan - from the initial payment to refinancing and full repayment.

UAPF also fulfilled **398,875 applications** for treatment for a total of **KZT314.9 billion**. At the same time, the average withdrawal amount is about **KZT0.8 million**. Most often (more than 96% of applications), Kazakhstanis use their savings for medical purposes for dental services. Only 2.8% of applications are for the purpose of receiving ophthalmological services.

At the same time, about KZT32.1 billion was returned to the IPSA of contributors (beneficiaries) in the UAPF from the authorized operator (Housing Construction Savings Bank Otbasylar 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](http://www.enpf.kz) in the section "Indicators" - "**Lump-sum pension benefits for medical treatment**".

As of December 1 of this year, **KZT8.7 billion** based on **5,909 applications** transferred to the investment portfolio manager (IPM). At the same time, the total number of unique applicants is 3,388 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 million**.

As of December 1, 2022, there are five IPMs in the market: Jusan Invest JSC, BCC Invest JSC, Centras Securities JSC, Halyk Global Markets JSC, Halyk Finance JSC. You can get acquainted with information about them and study their investment declarations on the website [www.enpf.kz](http://www.enpf.kz) in the section "Services" - "**Register of Investment Portfolio Managers**".

Detailed statistics on the transfer of pension savings to trust management is also available on the [www.enpf.kz](http://www.enpf.kz) website in the section "Indicators" - "Transfer of pension savings to management companies".

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 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 posted on the website [www.enpf.kz](http://www.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 the 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](http://www.enpf.kz))*