

ANNOUNCEMENT

UAPF JSC presented the Annual Actuarial Report for 2023

UAPF JSC (hereinafter referred to as UAPF, Fund) published the [Annual Actuarial Report for 2023](#) (hereinafter referred to as the Report), which presents the main results of comprehensive actuarial calculations in the main areas of further improvement of the pension system of Kazakhstan.

The most important function of the state is to create an effective pension system that meets international standards and ensures adequate payments at retirement age. The effectiveness of the pension system is assessed by various indicators, which are analyzed and forecasted in this Report.

Section 1 of the Report describes demographic trends in Kazakhstan and their impact on the pension system. At the same time, the demographic situation as of 01.01.2023 is covered and forecast demographic trends up to 2050 are presented, taking into account the stochastic and deterministic approaches.

Section 2 presents forecasts and assessment of the adequacy of future pension payments in Kazakhstan in the context of an objective reduction in the solidarity component and the development of the funded component. In particular, a forecast of individual replacement rates for the components of the country's multi-level pension system was made taking into account standard economic assumptions used within the framework of the methodology of the Organization for Economic Cooperation and Development, as well as specific assumptions that take into account the economic conditions in the country.

Section 3 of the Report presents the modeling and forecasting of pension flows, in particular, it describes the comprehensive actuarial model KazPRESTO and its forecast results, modeling of demographics, the labor market, pension payments at the expense of 10% of mandatory pension contributions.

The annual actuarial report is one of the most important documents of the Fund and discloses up-to-date information to a wide range of stakeholders. The document has been prepared taking into account international standards and best world practices for disclosure of information.

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)