

## ANNOUNCEMENT

### The use of pension savings has been significantly reduced

*UAPF provided accounting data as of March 1, 2023*

#### For housing

From January 2021, as of **March 1, 2023**, about **KZT3.2 trln** was transferred from the UAPF to the special accounts of Kazakhstanis opened in banks-authorized operators to improve living conditions. Thus, the Fund executed **1,351,861** applications of contributors and beneficiaries. The average amount seized per one application is about KZT2.4 mln.

In February 2023, **3,400 applications** were executed, which is slightly more than the number of applications executed in January 2023 (then UAPF executed 3,061 applications). The amount of transferred savings also changed slightly: in February, **KZT7.5 bln** were transferred to special accounts, while in the first month of 2023 more than KZT7.1 bln of pension savings were transferred. For comparison, in February 2022, UAPF completed **89,878 applications** for improving housing conditions for a total amount of about **KZT152 bln**.

On the website [www.enpf.kz](http://www.enpf.kz) in the “Indicators” section, information is updated every working day on the purposes for which Kazakhstanis used / plan to use lump-sum pension benefits, incl. by regions (subsections "[Lump-sum pension benefits for improving housing conditions by purpose](#)" and "[Lump-sum pension benefits for improving housing conditions](#)", respectively).

Kazakhstanis plan to use 64.3% of the transferred amounts for the purchase 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).

Contributors (beneficiaries) directed 12.9% of the used pension money to programs under the system of housing construction savings.

12% of the transferred amounts went to mortgage programs (from the initial payment to the full repayment of the mortgage loan).

8.24% of the transferred amounts are invested in housing construction savings for further accumulation.

Slightly more than 2% of the used pension savings went to other purposes (long-term rental of housing with subsequent purchase, acquisition of a housing plot for construction, etc.).

Please note that statistics are given for applications executed by UAPF. On the side of authorized operators, the goals of Kazakhstanis may change or the funds may return to the individual pension saving accounts (IPSA) of contributors (beneficiaries) in the UAPF. **KZT464.8 bln** was returned for the entire period to the IPSA of contributors (beneficiaries) from authorized operators due to the fact that lump-sum pension benefits were not used within the time limits established by law, at the request of the applicant and for other reasons. Of these, KZT2.1 bln were returned in February 2023.

#### For medical treatment

Since January 2021, as of **March 1, 2023**, UAPF has executed **407,345 applications** for medical treatment for a total of **KZT325.7 bln**. The average amount of withdrawals for medical treatment for the period amounted to about KZT0.8 mln. At the same time, in February 2023, **2,833 applications** were executed in the amount of **KZT3.6 bln**. For comparison, a month earlier, 2,537 applications were executed in the amount of KZT3.3 bln. And in February 2022, **40,456 applications** were executed in the amount of about KZT34 bln.

Dentistry is still the most popular medical service for which pension savings are directed. More than 90% of executed applications indicate this goal.

At the same time, KZT32.7 bln was returned to the IPSA of contributors (beneficiaries) in the UAPF from the authorized operator (Housing Construction Savings Bank Otbasy 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 treatment on the website [www.enpf.kz](http://www.enpf.kz) in the section "Indicators" - "[Lump-sum pension benefits for medical treatment](#)".

### **To private management**

As of **March 1, 2023**, the investment portfolio manager (IPM) transferred **KZT8.8 bln** for the entire period based on **5,947 applications**. The total number of unique applicants is 3,415, 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**.

At the same time, the total amount of funds under the management of the IPM, taking into account investment income, is about **KZT9.57 bln**.

As of March 1, 2023, 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 [enpf.kz](http://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 [enpf.kz](http://enpf.kz) website in the section "[Indicators](#)" - "[Transfer of pension savings to management companies](#)".

Recall that after the initial transfer of pension assets to IPM trust management, a contributor has the right **not more than once a year** to submit an application to the UAPF for the transfer of his pension savings to trust management from one IPM to another IPM. 56 applicants used this right: according to 78 applications, UAPF made a transfer from one IPM to another for a total of KZT266 mln.

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

Under the Law on Pension Provision, IPMs are entitled to charge an investment management fee. The maximum amount of IPM remuneration cannot exceed 7.5% of the received investment income. The actual amount of the commission is annually approved by the IPM management body and can change no more than once a year.

Up-to-date information on [the IPM commission](#) for 2023 is available on the [enpf.kz](http://enpf.kz) website in the section: "[Services](#)" - "[Register of Investment Portfolio Managers](#)".

Also, contributors have the right to submit an application to the UAPF for the return of pension savings held in IPM's trust management to the National Bank's trust management, but **not earlier than two years** after the initial transfer of pension savings to IPM's trust management. Since the transfer of pension savings began in February 2021, this period has not yet expired. However, as of March 1, 2023, UAPF statistics record the automatic return of pension savings from IPM trust management to the National Bank of the Republic of Kazakhstan trust management in the amount of KZT33 mln. The reasons for auto-return are the achievement of retirement age, the death of the contributor, as well as the departure for permanent residence outside the Republic of Kazakhstan

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 IPM trust management, 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 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))*