



NATIONAL BANK OF KAZAKHSTAN

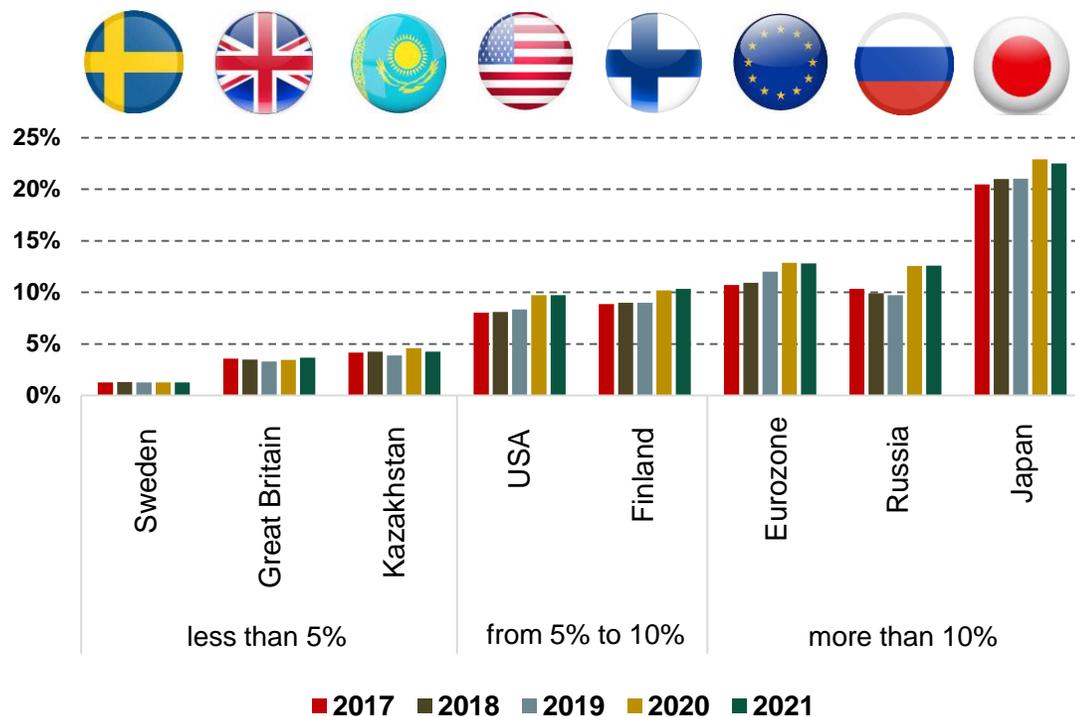
RESULTS OF THE SOCIOLOGICAL RESEARCH  
"MEDIUM-TERM PROSPECTS OF USING  
CASH"



Astana, 2022

Cash as a percentage of GDP is **growing all over the world**, except Norway and Sweden. The two countries **purposefully pursued a policy of reducing cash** through government initiatives and the development of electronic infrastructure.

The amount of cash in circulation as a percentage of GDP



In Kazakhstan, despite the development of non-cash payments, at the same time, there is a **steady increase in the amount of cash in circulation**.

**4,4%** - annual average increase in the number of Kazakhstani tenge banknotes in circulation *from 2017 to 2022*

**1,2%** - the predicted *minimum* average annual growth of cash in circulation *until 2050*

- ✓ Research on the use of cash and non-cash money by the population has been **regularly conducted** in European countries for more than 10 years, in Germany – **every three years**, in Russia – **every year**.
- ✓ In the conditions of modern trends and challenges, there is a need for research in Kazakhstan.
- ✓ In Kazakhstan, the survey on payment preferences of economic entities was **conducted for the first time**. At the same time, the study was conducted not only among **the population**, but also among **entrepreneurs**.

 <p><b>The purpose of the research</b></p>	<p>Determination of the <b>trend in the development</b> of cash circulation, identification of <b>factors that form the demand for cash</b>, as well as the study of <b>the use of cash</b> and its nominal structure by economic entities</p>
 <p><b>Research method</b></p>	<ul style="list-style-type: none"> <li>- Survey</li> <li>- Payment diary</li> </ul>
 <p><b>Terms of the research</b></p>	<p>Phase I: October – December 2021          Phase II: February – April 2022          Phase III: June – August 2022</p>
 <p><b>Number of respondents</b></p>	<ul style="list-style-type: none"> <li>- <b>9,628</b>, of which:</li> <li>- <i>6,095 individuals</i></li> <li>- <i>3,533 business entities</i></li> </ul>
 <p><b>Coverage area</b></p>	<p><b>17 regions</b> of Kazakhstan, <b>3 cities</b> of republican significance</p>

## SHORT SUMMARY\*



NATIONAL BANK OF KAZAKHSTAN



**60%**

use cash for everyday payments



**35%**

expenses are accounted for by cash



**72%**

use a bank card to withdraw cash



**74%**

use non-cash payment instruments



**31%**

they noted the demand in small and medium nominal value



**67%**

withdrawals are made for current expenses



**27**

ТЫС.ТГ.

average amount of cash expenses per week



**35%**

the proportion of cash in turnover of entrepreneurs

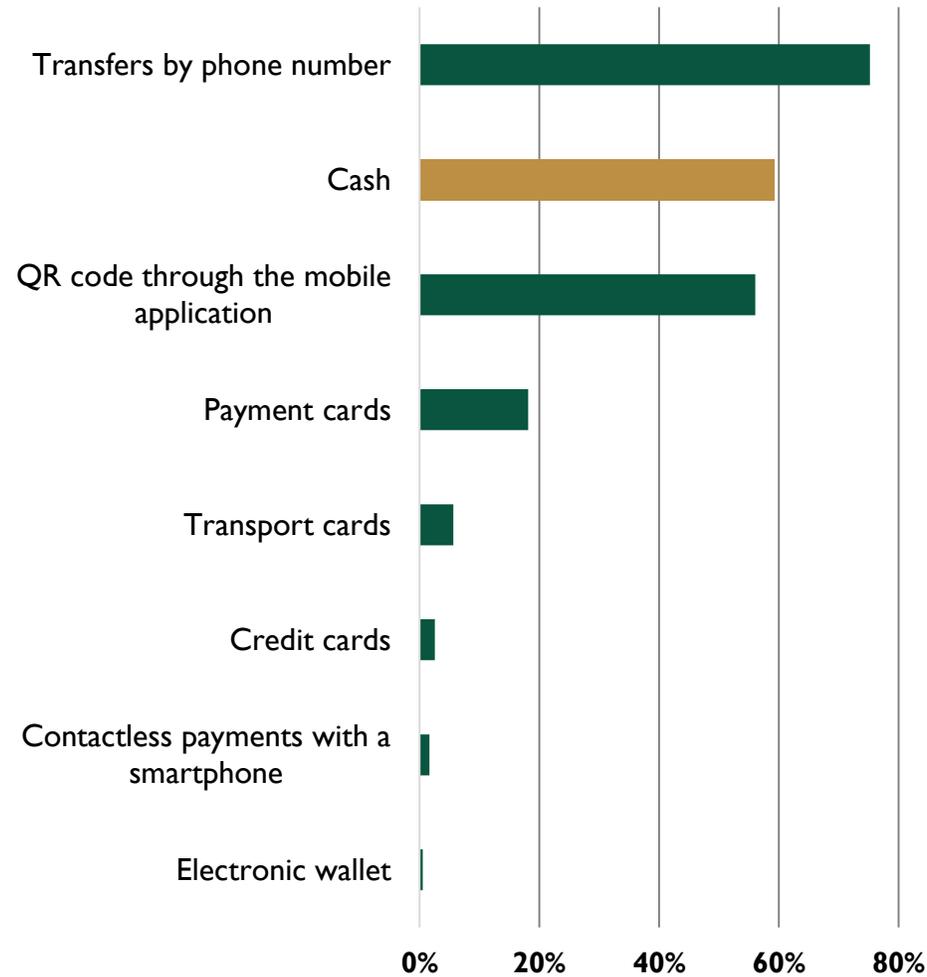
\*of the total number of respondents surveyed

**RESEARCH RESULTS  
BY HOUSEHOLD**  
*pp. 6-14*

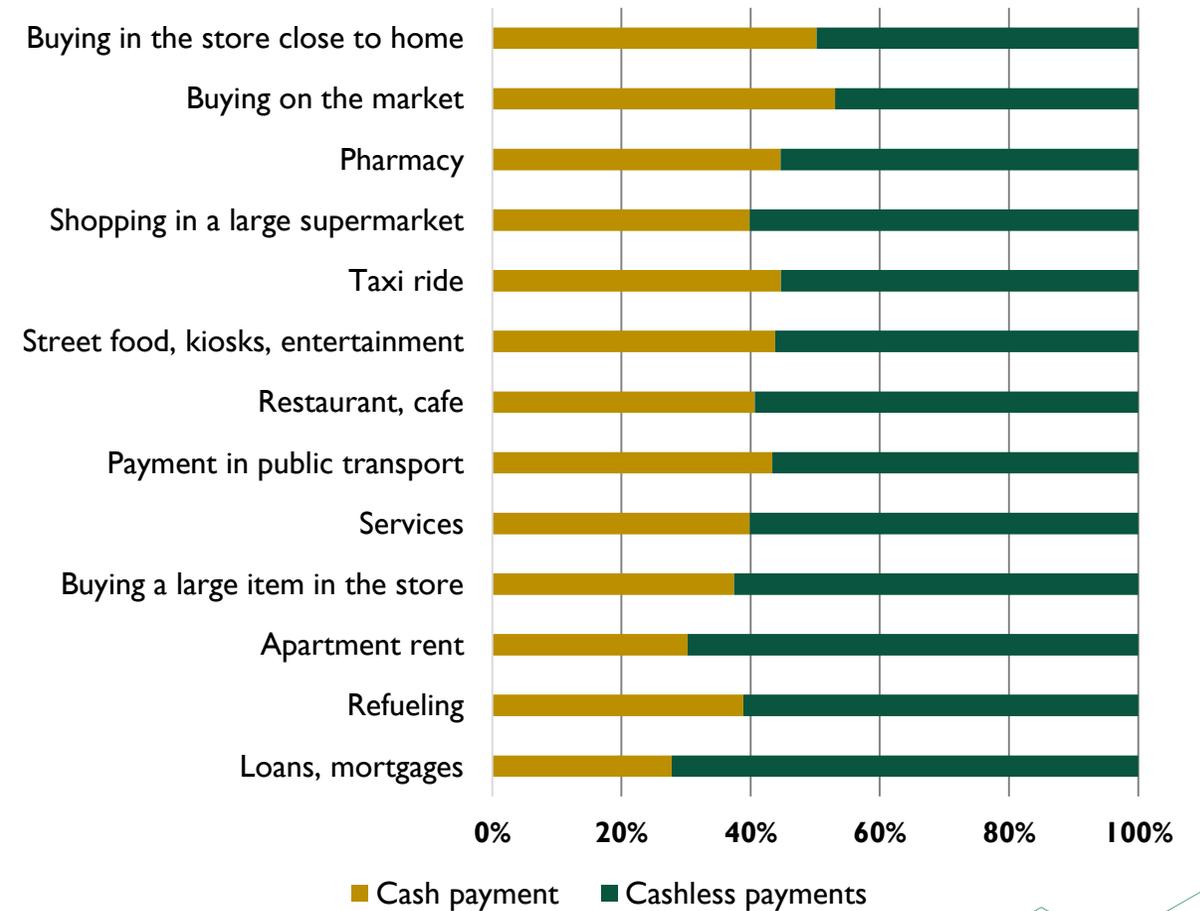




## Frequently used payment methods



## Use of cash and non-cash payments at places of purchase





## Reasons for choosing cash payment

<b>30%</b>	request of sellers of goods and services	<b>19%</b>	accept cash only
<b>29%</b>	lack of internet at the point of purchase	<b>18%</b>	paying in cash is faster and easier
<b>26%</b>	the habit of paying in cash	<b>14%</b>	better control of expenses
<b>24%</b>	the seller does not have a terminal	<b>8%</b>	does not use cash



## Reasons for choosing a cashless payment

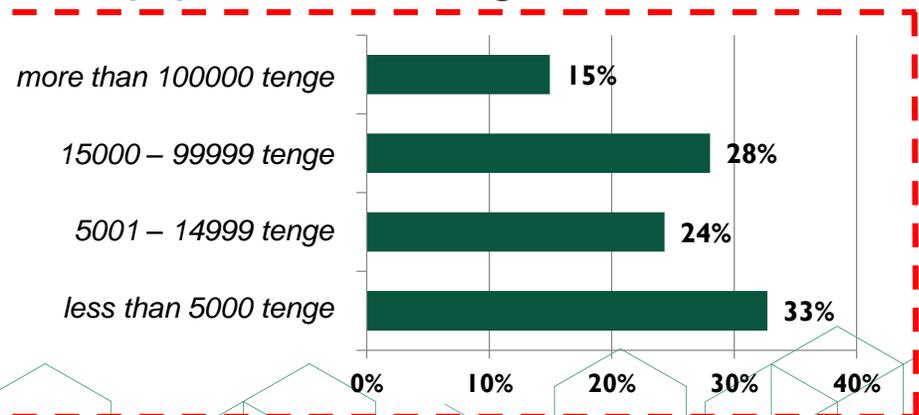
<b>48%</b>	getting income, salaries to the card	<b>15%</b>	better control of expenses
<b>47%</b>	the convenience of not carrying a lot of money	<b>14%</b>	safety
<b>29%</b>	availability of remote payment	<b>7%</b>	cashless payments are accepted everywhere
<b>22%</b>	participation in bonus programs, receiving discounts	<b>5%</b>	fear of getting infected through cash



## The effect of the transaction amount on the choice of payment form

• The amount does not matter when paying by bank transfer	<b>79%</b>
• <b>always pay in cash</b>	<b>15%</b>
• pay non-cash if the amount is more than N tenge	<b>5%</b>
• Other	<b>1%</b>

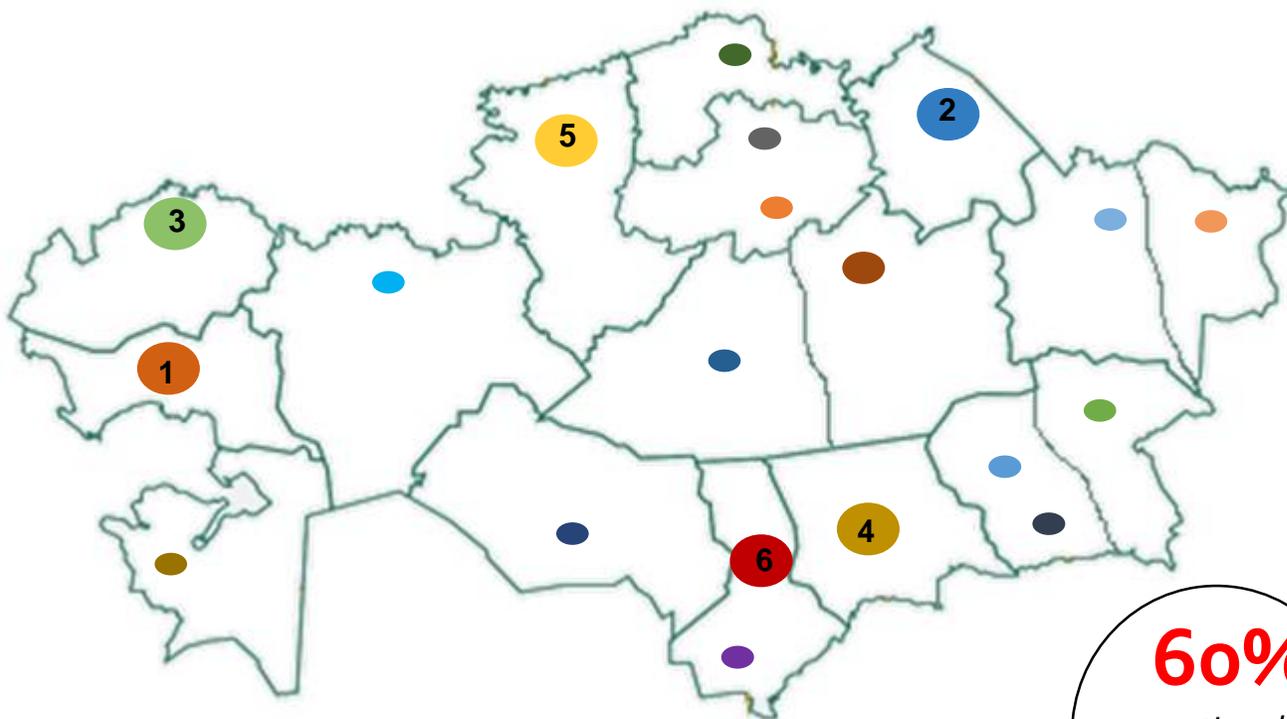
## If the payment amount is greater than N value



# PREFERENCE FOR CASH PAYMENT BY REGION



## Regions of the country



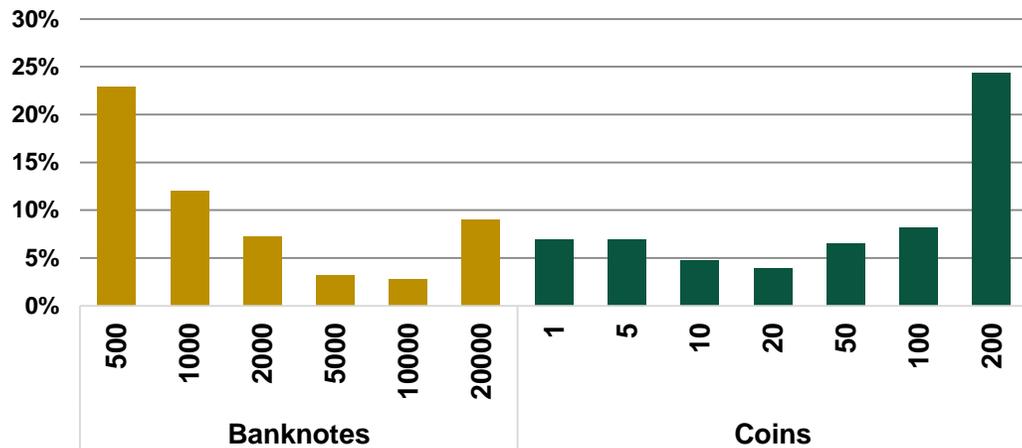
**60%**  
national average

Despite the high growth rate of non-cash transactions, **cash remains** one of the important **payment and savings instruments**, in particular in the **regions of the country**.

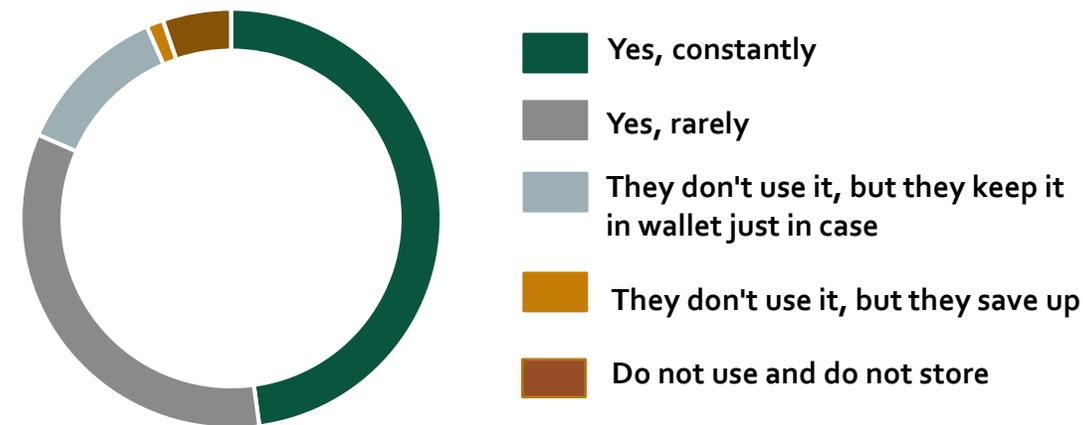
Rank	Region	%
1	Atyrau region	81
2	Pavlodar region	77
3	West Kazakhstan region	74
4	Zhambyl region	73
5	Kostanay region	73
6	Turkestan region	72
7	East Kazakhstan region	66
8	Abai region	66
9	North Kazakhstan region	64
10	Kyzylorda region	61
11	Mangystau region	59
12	Akmola region	57
13	Karaganda region	54
14	Atyrau region	54
15	Almaty region	52
16	Zhetysu region	52
17	Shymkent	48
18	Aktobe region	42
19	Astana	42
20	Almaty	36



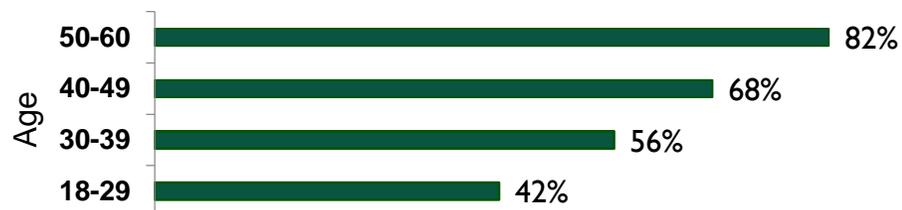
## The need for separate denominations of banknotes and coins in circulation



## Frequency of use of cash



## Use of cash payment by age and gender



61%



59%

The older the age group of respondents, the more often they prefer cash when paying for goods and services.



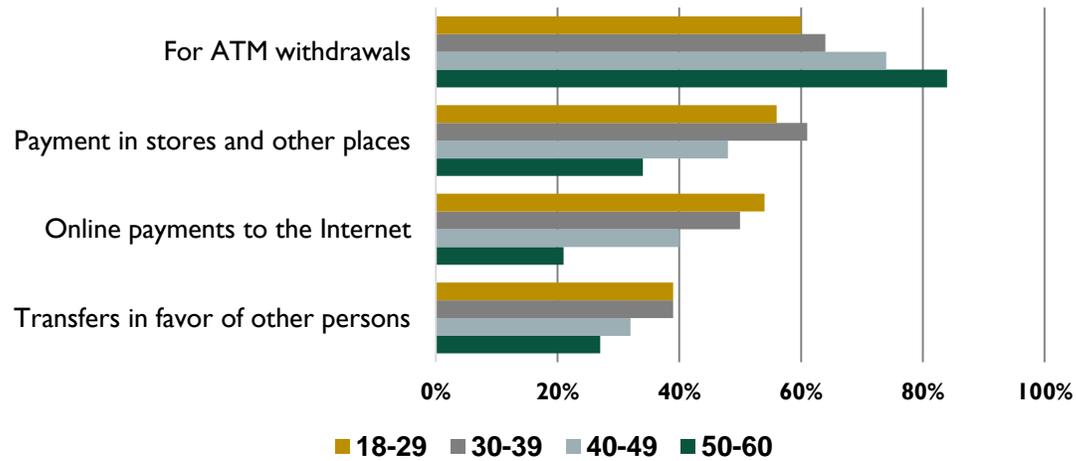
## Use of cash payment by type of location



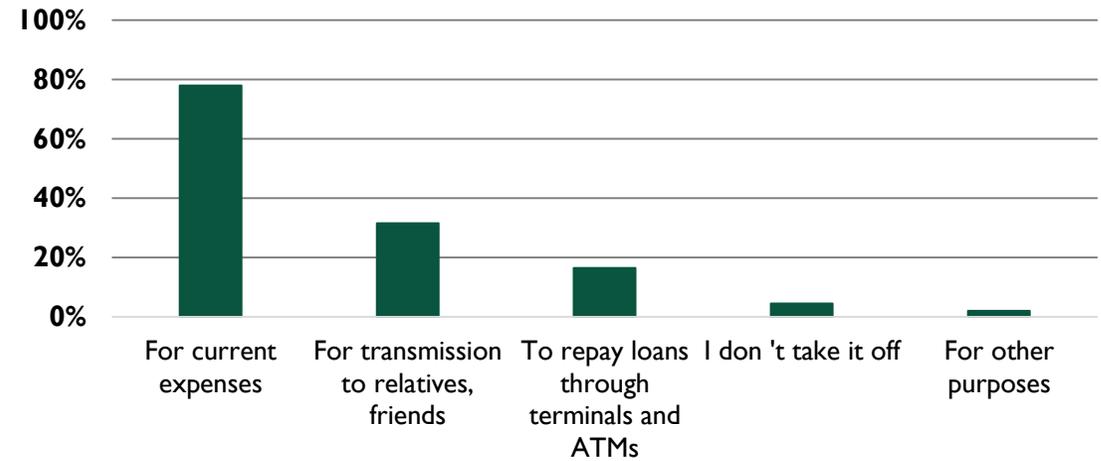
Respondents from rural areas are more likely to choose a cash payment type than respondents from cities.



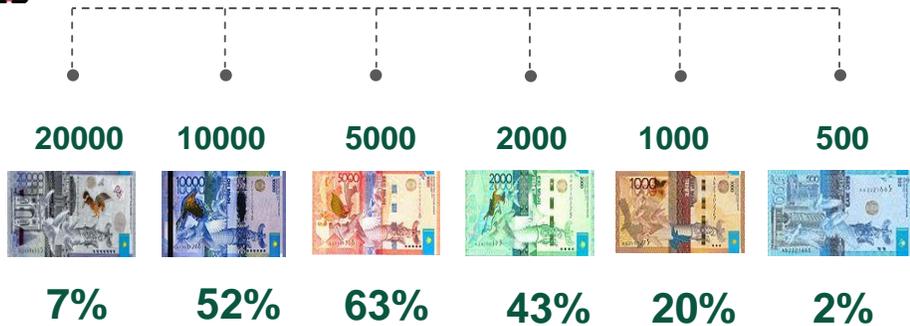
## Using a bank card



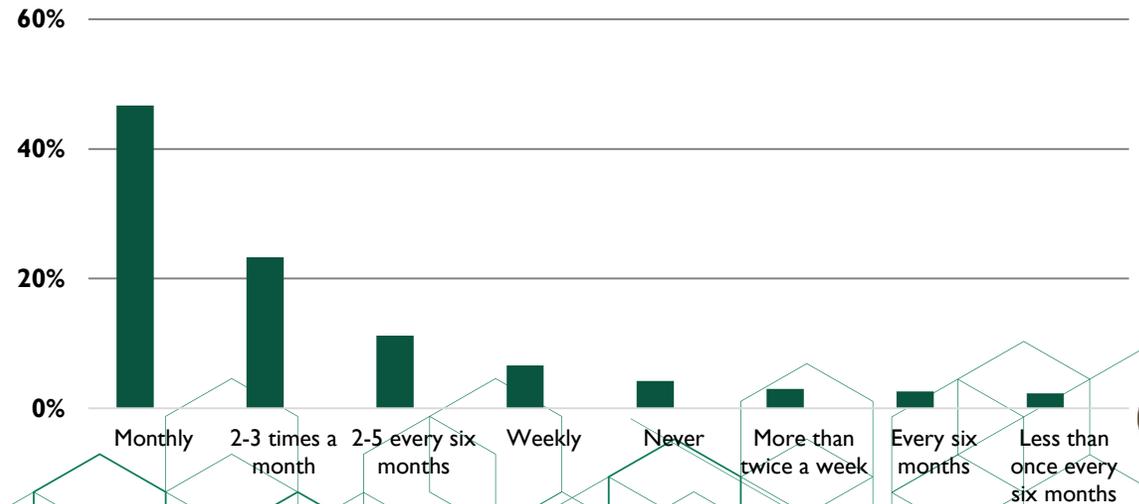
## Reasons for withdrawing cash



## Structure of banknote issuance by ATMs

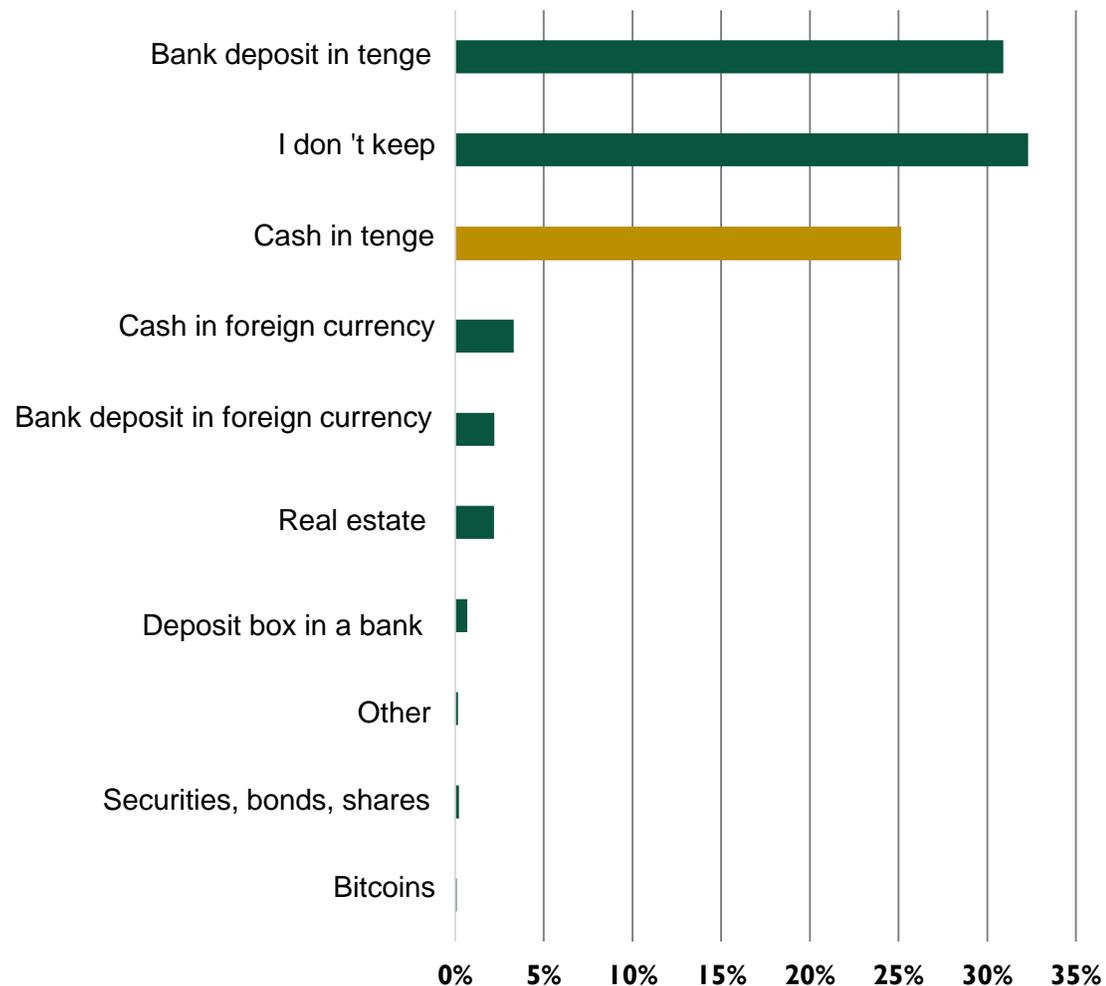


## Frequency of cash withdrawals via ATMs

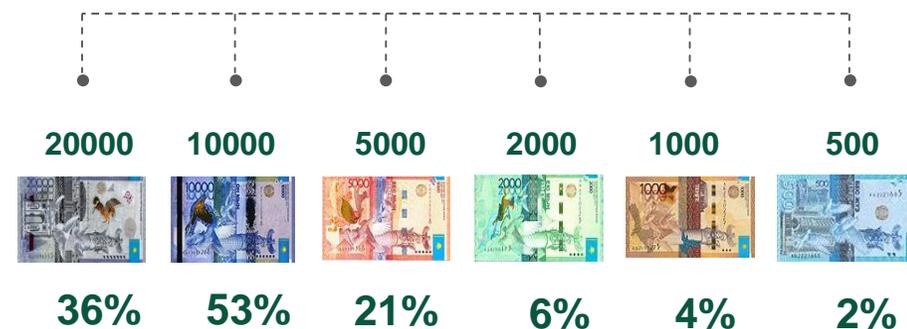




## Ways to store savings



## Banknotes used as a means of accumulation and savings



## Large purchases and payment method

PURCHASE	Cash payment	Non-cash payment
cars	44%	65%
apartments	39%	68%
furniture or large household appliances	36%	76%
tourist vouchers	30%	81%

# INFORMATION ABOUT THE DEPOSITS OF THE POPULATION



NATIONAL BANK OF KAZAKHSTAN



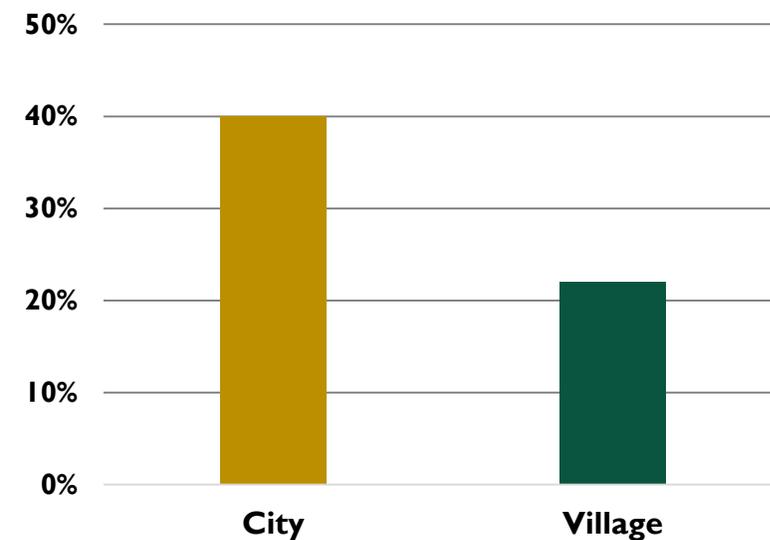
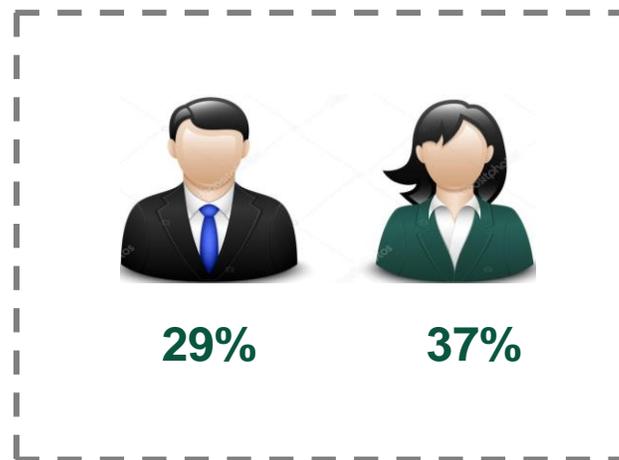
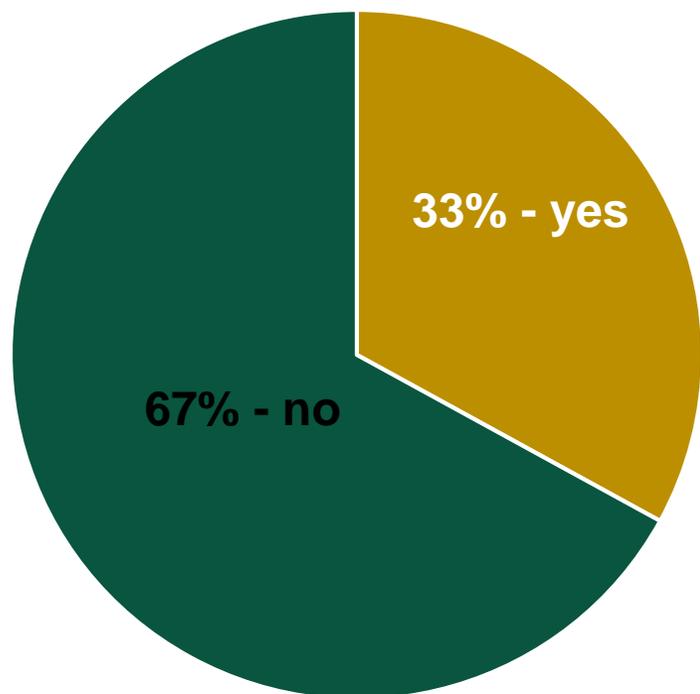
Population share,  
having deposits in banks



Proportion of men and women,  
having deposits in banks



Population percentage, having  
deposits in banks by type of location





## The quality of banknotes in circulation

**75%** the population is satisfied with the physical condition of banknotes in circulation

*Mostly the population is dissatisfied physical condition of small and medium denominations:*



## Counterfeit banknotes

**96%** the population did not encounter with counterfeit banknotes

*When receiving counterfeit banknotes, citizens most often:*

- they are returned to those from whom they received **52%**
- they don't do anything, they add up **26%**
- they go to the police **13%**
- they tear it up and throw it away **13%**
- apply to the branch National Bank of Kazakhstan **10%**



## Collection Coins

**61%** respondents do not know about the collection coins of the National Bank of Kazakhstan



- Don't know, haven't heard **61%**
- They know, but they are not interested **10%**
- They know, they have acquired **24%**
- They know, they want to buy **5%**



## Checking banknotes for authenticity

**53%** do not check the authenticity of banknotes

### Checking:



**43%**



**37%**



**15%**



**4%**



## Distinguish a counterfeit banknote

**41%** by touch (*smoothness, relief*)

### Then follow:

- **40%** Can't distinguish
- **20%** Watermark
- **15%** Protective thread
- **8%** Changing the image at an angle
- **7%** Hidden rainbow stripes
- **2%** Protective fibers
- **2%** Micro-test / Image
- **1%** Micro-perforation



## Damage to banknotes faced by the population

**52%** respondents have not encountered damaged banknotes

### The most common injuries are:

- pollution **17%**
- gluing **15%**
- inscriptions **14%**
- torn banknotes **12%**
- banknotes with a torn corner **12%**
- tattered banknotes **10%**

**RESEARCH RESULTS  
BY BUSINESS ENTITIES**  
*pp. 16 - 18*



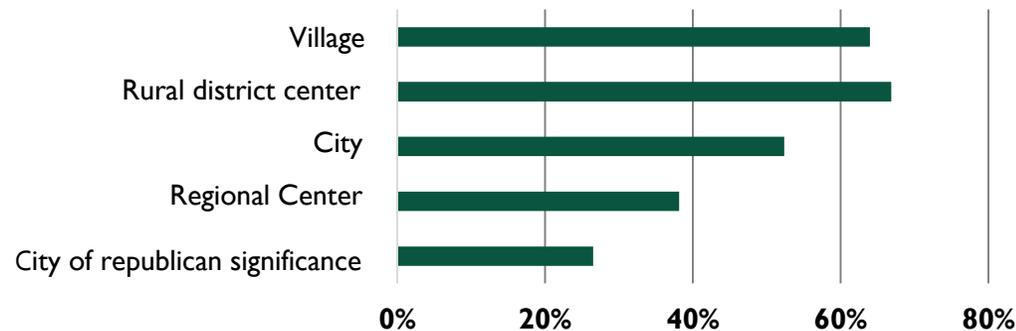


## Reasons for choosing cash payment

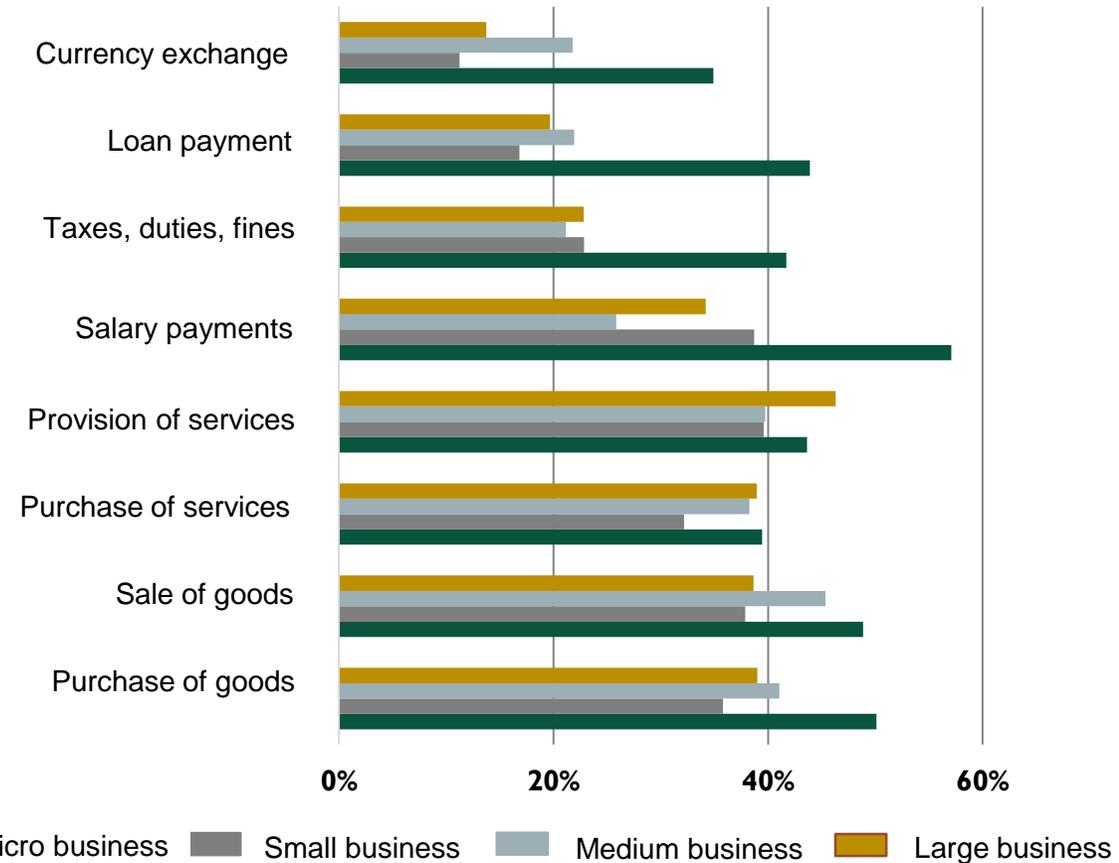
<b>35%</b>	receiving income in cash	<b>13%</b>	receiving a payment from a counterparty in cash
<b>21%</b>	better control of expenses	<b>12%</b>	do not work with cash
<b>20%</b>	paying in cash is faster and easier	<b>11%</b>	lack of internet/poor connection
<b>16%</b>	the habit of using cash	<b>10%</b>	for the convenience of certain categories of customers
<b>14%</b>	salary issuance at the request of employees	<b>9%</b>	supplier's request



## For entrepreneurs who use cash on a permanent basis

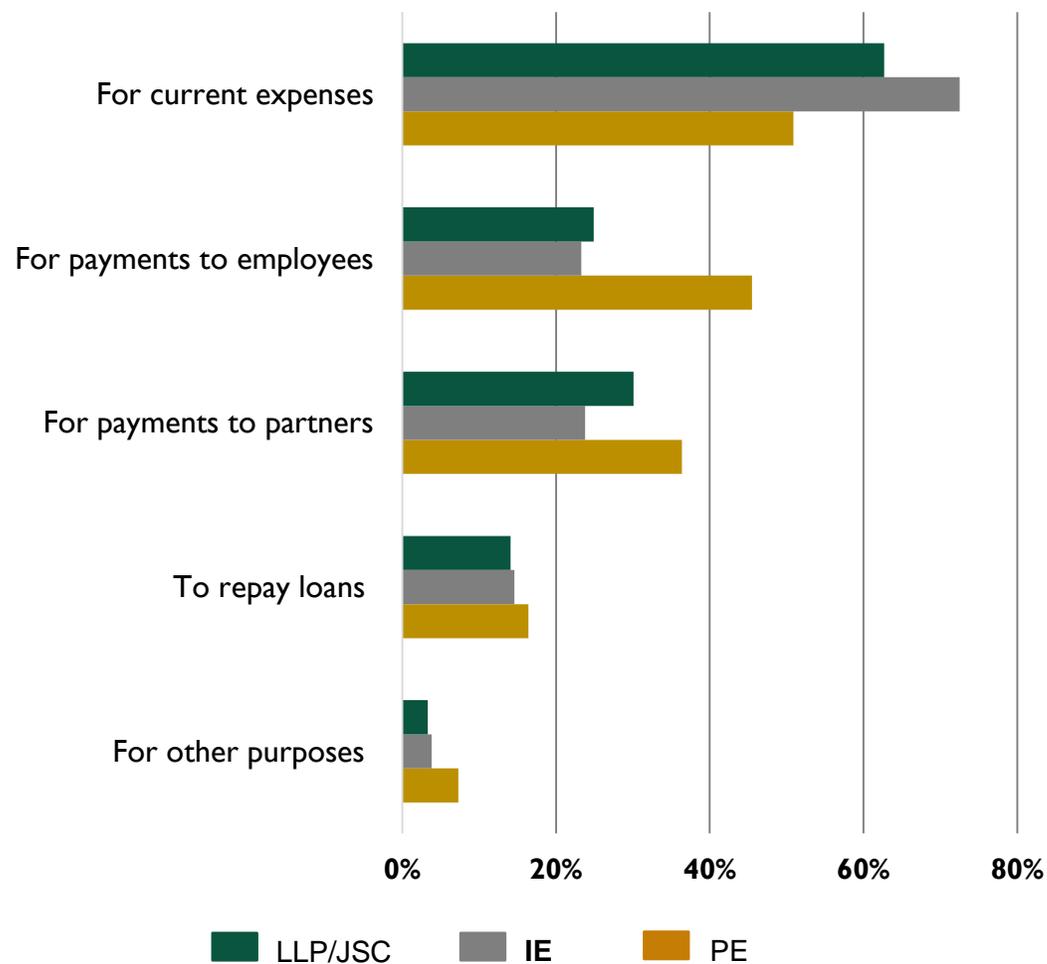


## The proportion of cash in operational turnover of entrepreneurs

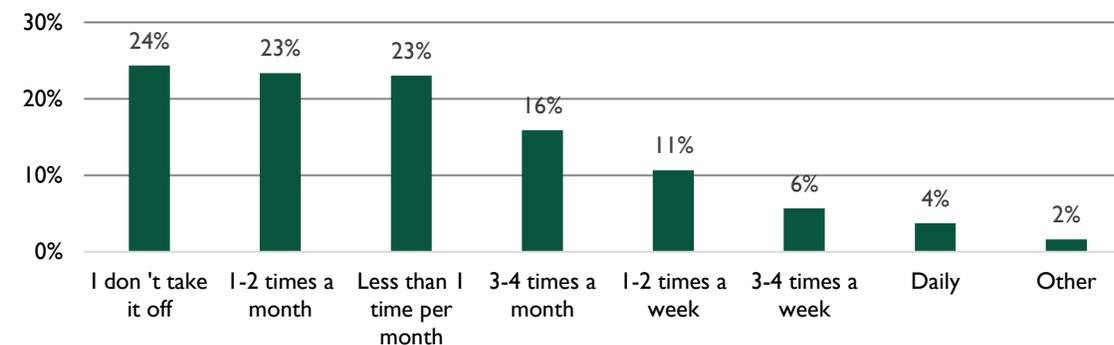




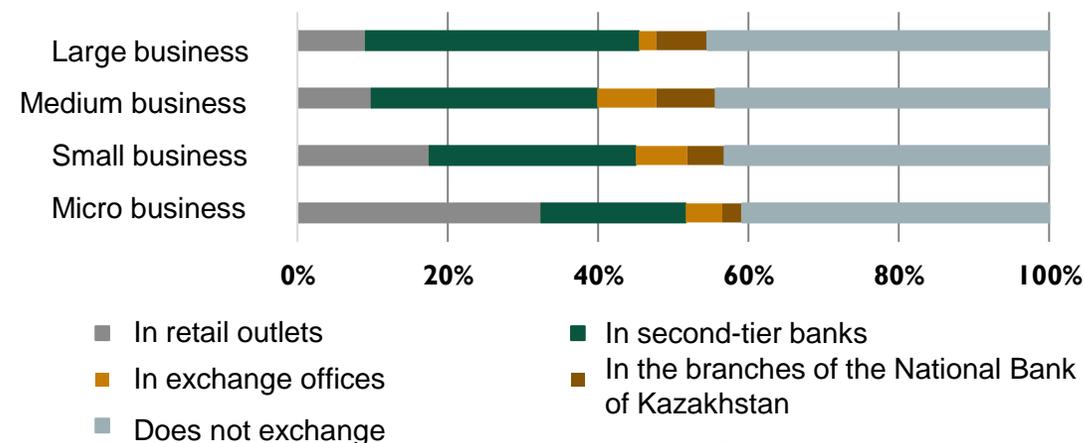
## Cash withdrawal by form of ownership



## Frequency of cash withdrawals for operational turnover

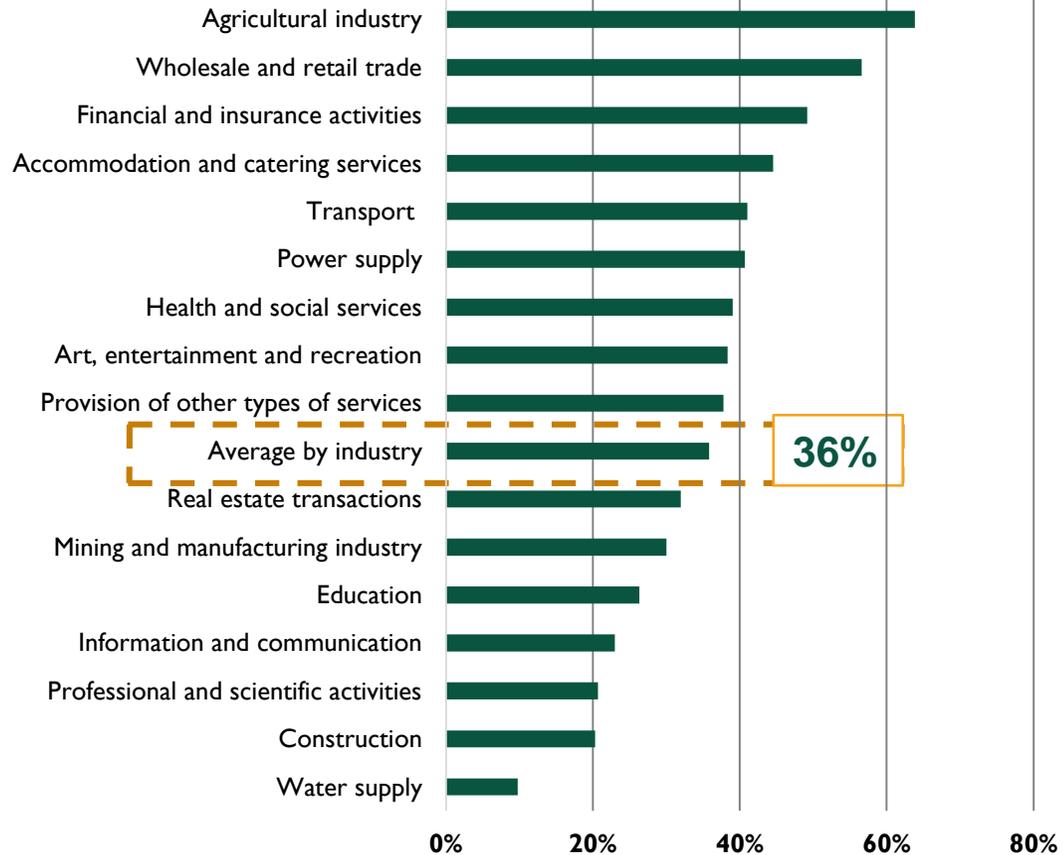


## Places of exchange/exchange of banknotes and coins

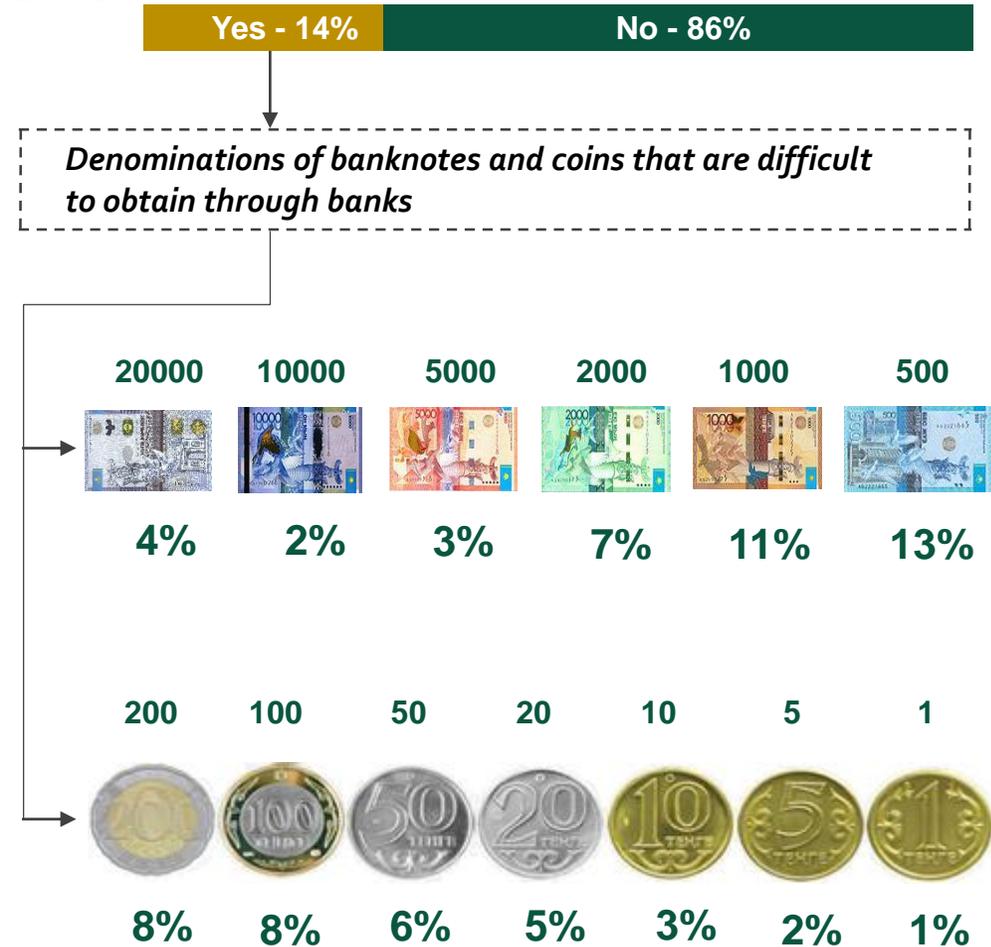




## Cash usage by industry

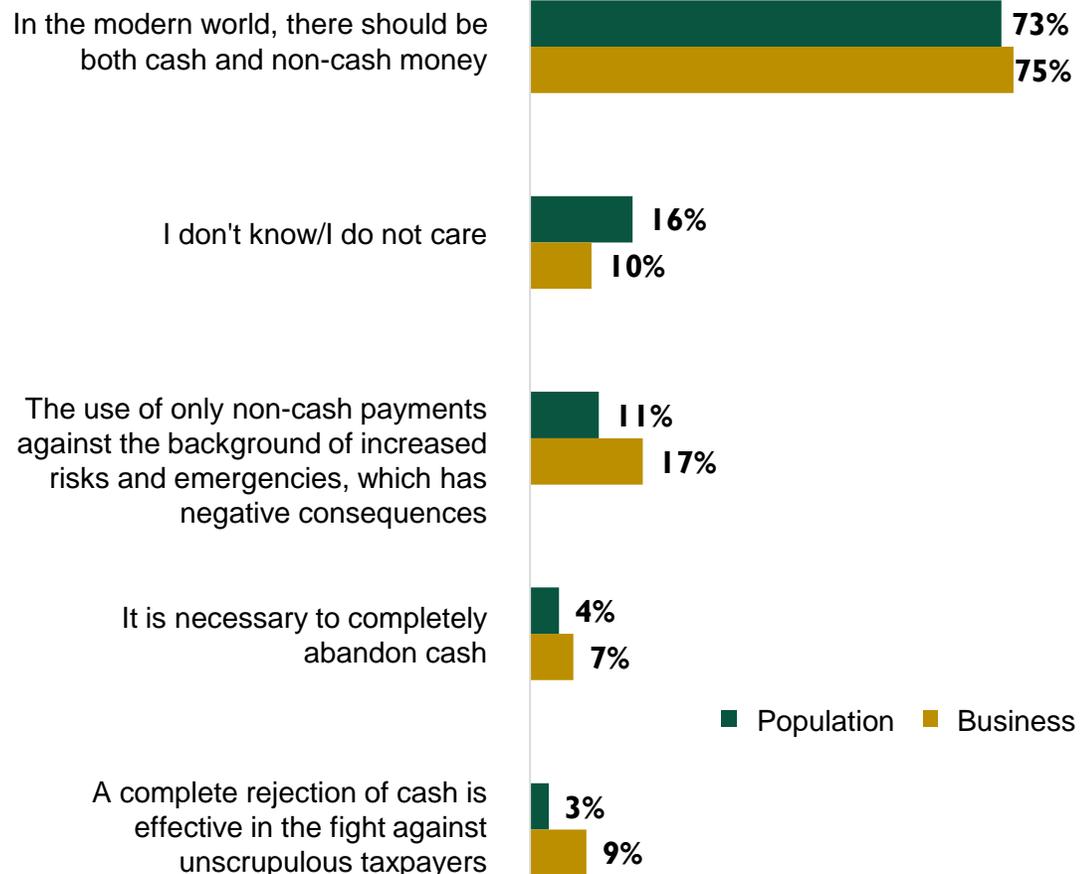


## Difficulties in obtaining cash

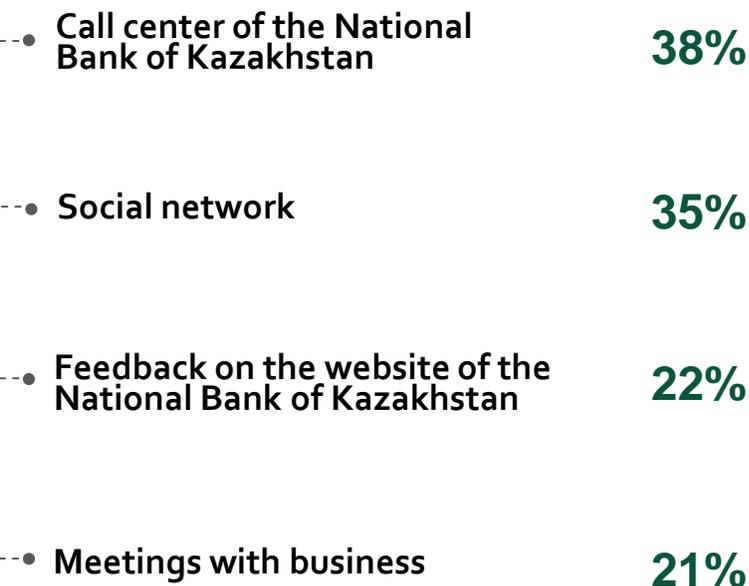




## The value of cash in the future



## Channels of contacting the National Bank of Kazakhstan on cash issues



Today, due to the continuous development of technologies and the improvement of financial sector mechanisms, the non-cash payment method is gaining impulses in its spread and modernization all over the world. Nevertheless, **cash retains its position as one of the important payment instruments among the subjects of the economy**, which is confirmed by the following conclusions of this research:

- ✓ **60%** - respondents still use cash for everyday payments;
- ✓ **30-40%** - the average percentage of cash in the turnover of business entities;
- ✓ **35%** - the expenses of the respondents are accounted for by cash.

Taking into account the results of the research, further activities of the National Bank of Kazakhstan should be aimed at **strengthening the infrastructure of the cash circulation and addressing topical issues**, in particular:

- saturation of cash circulation with small denominations of banknotes and coins by regions of the country;
- maintaining the condition of banknotes, especially small denominations, suitable for human use and cash register equipment;
- informing the general public about the main security elements of banknotes, allowing them to easily and quickly determine the authenticity of banknotes, and about the possibility of purchasing collection/investment coins of the National Bank of Kazakhstan.



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