



**BAITEREK**



**DAMU**

**ANNUAL REPORT ON THE STATE  
OF SMALL AND MEDIUM-SIZED ENTERPRISES  
DEVELOPMENT IN KAZAKHSTAN**

**2022**

EDITION №15



# ANNUAL REPORT ON THE STATE OF SMALL AND MEDIUM-SIZED ENTERPRISES DEVELOPMENT IN KAZAKHSTAN

EDITION №15

Compiler of the book "Report about of SMEs development in Kazakhstan"  
"Damu "Entrepreneurship Development Fund" JSC



## ANNUAL REPORT ON THE STATE OF SMALL AND MEDIUM-SIZED ENTERPRISES DEVELOPMENT IN KAZAKHSTAN

Almaty 2023, № 15

The book "Annual Report on the State of Small and Medium-sized Enterprises Development in Kazakhstan" was created by the author team at Damu Fund of Entrepreneurship Development JSC (Fund Damu). It provides detailed information on the status and dynamics of the small and medium-sized enterprise (SME) sector in Kazakhstan. The report includes a comprehensive analysis of SMEs across industries and regions. Additionally, it highlights the results of Damu Fund's efforts in supporting entrepreneurship and outlines their plans for further SME development in Kazakhstan until the end of 2022.

All the materials are based on the latest statistical data from the Agency for Strategic planning and reforms of the Republic of Kazakhstan Bureau of National statistics, National Bank of the Republic of Kazakhstan and the Damu Fund. The book is illustrated with statistical data in the form of tables, figures and diagrams that makes it more convenient for understanding. It is recommended to the government bodies, local executive authorities, higher education institutions, public organizations and business structures.

© All materials of this book (textual information and graphics images) are owned  
by the Damu Fund of Entrepreneurship Development JSC

ISBN 978-601-7059-50-7

# TABLE OF CONTENT

	ADDRESS OF THE DEPUTY PRIME MINISTER, I NISTER OF FINANCE OF THE REPUBLIC OF KAZAKHSTAN	4
	ADDRESS OF THE CHAIRWOMAN OF THE MANAGEMENT BOARD DAMU ENTREPRENEURSHIP DEVELOPMENT FUND JSC	6
<b>Section 1</b>	STATUS AND GROWTH DYNAMICS MONITORING OF SMALL AND MEDIUM ENTREPRENEURSHIP IN THE REPUBLIC OF KAZAKHSTAN	10
<b>Section 2</b>	COMPARISON OF SME DEVELOPMENT INDICATORS IN THE REGIONS OF KAZAKHSTAN	14
<b>Section 3</b>	АНАЛИЗ РАЗВИТИЯ СУБЪЕКТОВ МСП В РЕГИОНАХ РЕСПУБЛИКИ КАЗАКХСТАН	18
<b>Section 4</b>	ANALYSIS OF THE DEVELOPMENT OF SMES IN THE REGIONS OF THE REPUBLIC OF KAZAKHSTAN	73
<b>Section 5</b>	NEW TOOLS FOR SUPPORTING SMALL AND MEDIUM-SIZED ENTERPRISE	94

# MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS “DAMU” ENTREPRENEURSHIP DEVELOPMENT FUND” JSC



**YE. K. ZHAMAU BAYEV**  
Deputy Prime Minister,  
Minister of Finance of the Republic  
of Kazakhstan

## DEAR LADIES AND GENTLEMEN,

The development of entrepreneurship is a priority, as well as the most important factor in the sustainability of the development of the national economy.

Since April of last year, the Concept for the Development of Small and Medium-Sized Enterprises in the Republic of Kazakhstan until 2030 has been implemented.

This document is based on the key institutional conditions and prerequisites necessary to intensify the development of small and medium-sized enterprises in the country.

Within the framework of this Concept, it is planned to ensure an increase in employment in this area to 5 million people by 2030. The strategic goal is to increase the share of SMEs in GDP to 35% by 2025 and to 40% by 2030.

The achievement of the set goals is possible by creating conditions and opportunities for citizens to realize themselves as an entrepreneur.

To this end, comprehensive measures are taken to open and develop a business.

National projects provide interest rate subsidies, loan guarantees, soft loans and other support measures.

The “Damu” Fund” serves as the driver of state policy in this area and acts as reliable partner for businesses.

In general, over the years, the share of entrepreneurship in GDP has increased, which is one of the results of joint work.

In 2022, the number of SMEs in the country increased by 27% to 1.8 million entities, and the number of employees in SMEs – by 18.3% (up to 4.1 million people).

The share of SMEs in GDP in 2022 amounted to 36.5%.

GDP growth amounted to 3.3% in real terms and reached 102.9 trillion tenge.

There is a positive dynamics of growth in all sectors of the economy.

In particular, the level of production in the manufacturing industry increased by 3.4%, in construction – by 9.4%, in agriculture – by 9.1%.

Based on the results of 2022, we can see that the number of microcredit has increased significantly, which means that a wide range of entrepreneurs have gained access to state support measures.

In addition, measures of state support, through the tools of the “Damu” Fund”, supported more than 50.5 thousand projects of entrepreneurs throughout Kazakhstan, for a total amount of loans of more than 1.5 trillion tenge.

More than 63% of issued loans are focused on investments in new projects and modernization of existing business facilities. This indicator demonstrate the active utilization of support tools provided by the “Damu” Fund”.

The budget allocated to support SMEs is also increasing on an annual basis. In just the past year, the budget has increased by over 30% compared to 2021.

In general, the “Damu” Fund” provides stable assistance and support to domestic entrepreneurs.

In its activities, the Fund will continue to be guided by the main directions of economic policy in the field of SME development and improving the welfare of the population.

Special emphasis will also be placed on supporting socially vulnerable categories of the population, including citizens with special needs.



## MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD “DAMU” ENTREPRENEURSHIP DEVELOPMENT FUND” JSC



**G.A. BURIBAYEVA**

Chairman of the Management Board  
of “Damu” Entrepreneurship  
Development Fund” JSC

“Damu” Entrepreneurship Development Fund” JSC has been making a significant contribution to the development of the business environment in Kazakhstan for more than 25 years. At the end of 2022, the share of small and medium-sized enterprises in the state’s GDP reached 36.5%. As you know, the driver of the economy of developed countries is SMEs. And our republic sets ambitious plans to increase the role of micro, small and medium-sized enterprises in the economy. State programs are aimed at achieving this goal, most of which are implemented exclusively by the “Damu” Fund”.

State support measures and the implementation of the Fund’s own programs in 2022 contributed to the development of more than 50.5 thousand projects in all regions of the Republic of Kazakhstan. Thus, 24.5 thousand projects were supported by instruments to subsidize the interest rate on loans to entrepreneurs, 20.8 thousand projects were guaranteed, 5.3 thousand projects were covered by concessional financing. The total amount of loans amounted to more than 1.5 trillion tenge. Of this amount, 63.3% are investments. That is, more than half of the funds are used to develop new projects and modernize existing production facilities in Kazakhstan.

Due to the establishment of three new regions in Kazakhstan: Abay, Zhetysu and Ulytau, the “Damu” Fund” opened three new branches in regional centers for the convenience of entrepreneurs in these regions. This will increase the coverage of the target audience of the Fund and provide more prompt access to entrepreneurs to participate in state programs and other implemented support measures.

The “Damu” Fund” strives to make business processes as accessible, convenient and transparent as possible for entrepreneurs. To achieve this goal, digital technologies have been systematically implemented since 2016. Thanks to this, in 2022, the level of digitalization of the Fund reached 100%, enabling entrepreneurs to submit online applications and receive remote support from the Fund.

Last year, after a two-year break related to the pandemic, the exhibition of domestic manufacturers “ULTYQ ÓNIM” was resumed. This event has been organized and conducted by the “Damu” Fund” since 2015. During this time, the exhibition gained fame among our compatriots and became a new, large-scale platform where Kazakhstani producers demonstrate their products, adopt experience, share success stories. The exhibition has become a real Fund for the expansion of economic cooperation between domestic companies and the introduction of new production technologies.

Entrepreneurs participating in a major event have the opportunity to increase the recognition of their products, increase sales, find new partners, distribution channels and conclude new contracts. 345 Kazakhstani entrepreneurs took part in the VI exhibition “ULTYQ ÓNIM,” 20 thousand people visited the exhibition. At this event, 120 contracts for the supply of products were concluded.

In 2022, within the framework of the National Entrepreneurship Development Project for 2021–2025, a direction was developed to guarantee bonds as an alternative source for entrepreneurs to raise funds in business.

For the debut placement of social bonds in 2022, the “Damu” Fund” was recognized as the winner in the nomination “Best Primary Placement Transaction (Kazakhstan)” of the annual Cbonds Awards. The issue volume amounted to 1 billion tenge, with a circulation period of 5 years. The purpose of the issue was to send the funds received from the transaction to lend to the MSME through the STB. In view of the social orientation, the placed bonds of the Fund meet the sustainable development goals and ESG criteria.

### ADDITIONAL MEASURES FOR BUSINESS DEVELOPMENT

Among other things, in 2022, changes were made to state programs in order to make support measures available. Thus, in cities of republican significance/regional centers, activities are provided according to the list of priority areas (63 OKED).

Under the guarantee instrument, where leasing companies act as creditors, the amount of the guarantee has been increased

and amounts to no more than 70% of the value of the leased asset. The amount of the leased asset under which the guarantee is carried out cannot exceed 500 million tenge per borrower.

An alternative channel of financing of medium-sized enterprises is also provided at the expense of private and institutional investors at KASE/AIFC sites within the framework of the guarantee instrument on the following main terms: type of instrument – secured debt bonds (from 50% floating charge + to 50% guarantee of the Fund); the warranty period can reach up to 5 years; guarantee amount – up to 2.5 billion tenge; the purpose of the project is to finance fixed assets (investment project); the industry is carried out according to the list of priority areas (63 OKED).

Within the framework of the “Economy of Simple Things” program on guarantee and subsidy instruments, a nominal interest rate is established – the base rate of the NB RK + 4.5% per annum, of which 7% will be paid by the PBE, and the difference will be subsidized by the state.

The maximum amount of credit/leasing for entrepreneurs implementing projects in settlements, including in mono-, small towns and rural settlements within the framework of priority sectors of the economy, according to the subsidy instrument no more than 3 billion tenge, according to the guarantee instrument no more than 1 billion tenge, within the framework of the National project for the development of entrepreneurship for 2021–2025 has been increased.

The conditions for coupon remuneration on bonds have been revised, including a nominal interest rate has been established for the subsidy instrument – the base rate of the NB RK + 5% per annum, of which 6% will be paid by the entrepreneur, and the difference will be subsidized by the state, under the guarantee instrument, the norms for the mandatory availability of collateral for the issuer’s property on bonds and guarantees of third parties have been excluded.

In 2023, “Damu” Fund” will continue to support and develop entrepreneurship in Kazakhstan, as well as improve its own efficiency and transparency. Also in 2023, it is planned to develop and approve a new Development Strategy for the Fund for the next decade. As part of the preparatory work, it is assumed that the Fund, as before, focuses its activities on supporting micro, small and medium-sized enterprises. The focus will be on the further development of the guarantee instrument.

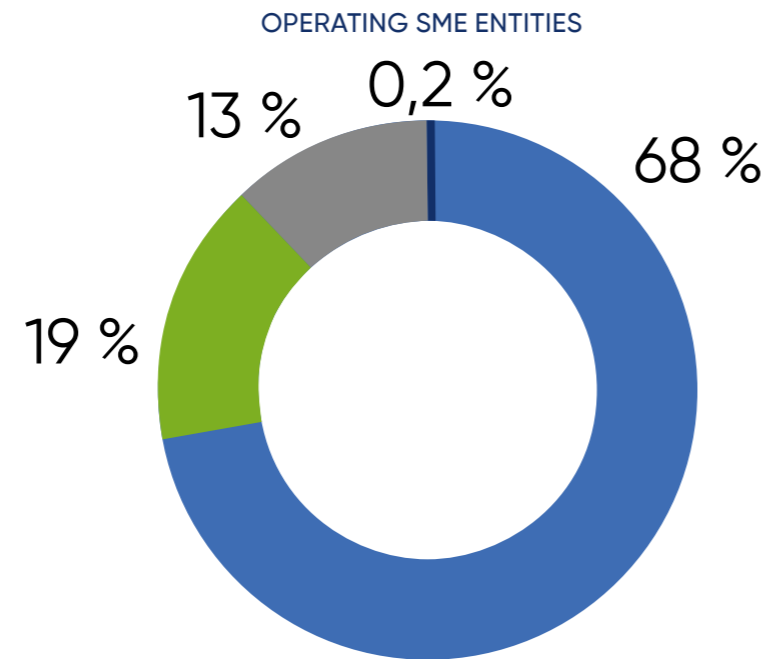


Number of operating SMEs

1 819 thous. units

Share of operating SMEs in the total number of registered SMEs

89,7 %



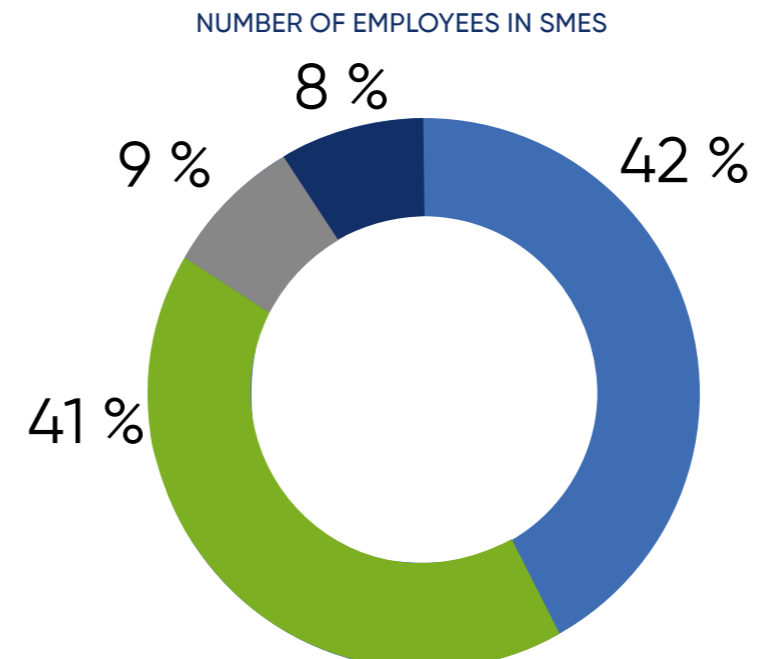
- INDIVIDUAL ENTREPRENEURSHIP
- LEGAL ENTITIES SMALL ENTERPRISES
- PEASANT FARMS / FARM FARMS
- LEGAL ENTITIES JOINT VENTURES

Number of employees in SMEs

KZT 4,1 million

The SME share in the total employment

45,8 %



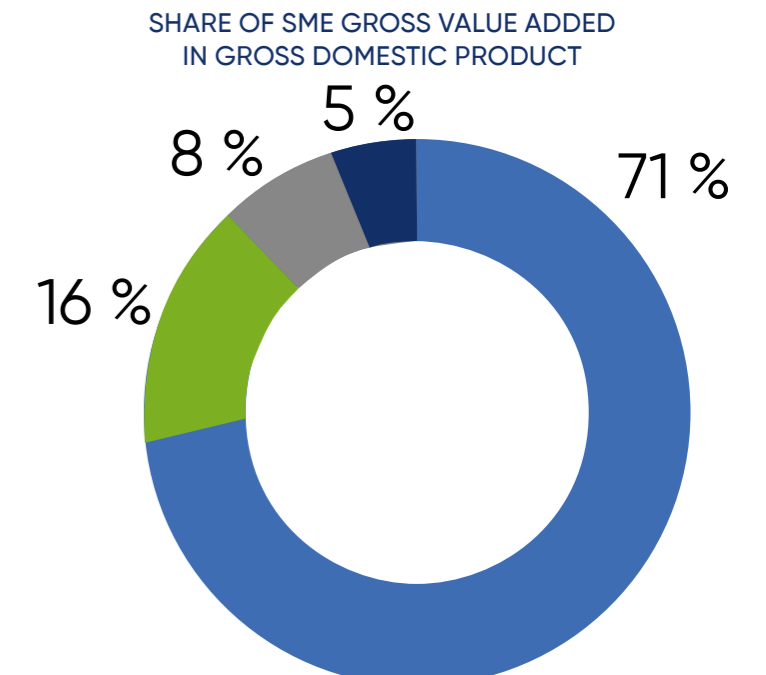
- LEGAL ENTITIES SMALL ENTERPRISES
- INDIVIDUAL ENTREPRENEURSHIP
- LEGAL ENTITIES JOINT VENTURES
- PEASANT FARMS / FARM FARMS

Output of SMEs

KZT 59,2 trillion

Share of SME gross value added in gross domestic product

36,5 %



- LEGAL ENTITIES SMALL ENTERPRISES
- LEGAL ENTITIES JOINT VENTURES
- INDIVIDUAL ENTREPRENEURSHIP
- PEASANT FARMS / FARM FARMS

# 1.

## STATUS AND GROWTH DYNAMICS MONITORING OF SMALL AND MEDIUM ENTREPRENEURSHIP IN THE REPUBLIC OF KAZAKHSTAN



ADDITIONALLY, WITHIN THE SMALL AND MEDIUM-SIZED ENTERPRISE (SME) SECTOR, THERE CONTINUED TO BE ONGOING CHANGES IN THE INSTITUTIONAL STRUCTURE OF THE NUMBER OF ENTITIES, WITH A GROWING PROPORTION OF LEGAL ENTITIES

In 2022, the number of active SMEs increased by **27.0 %** and reached **1,819** thousand units by the end of the year. The proportion of active SMEs among registered entities reached **89.7 %**, which is **5.3** percentage points higher than the 2021 figure.

In terms of organizational and legal forms, the number of legal entities operating as SMEs increased by **41** thousand units. Their share in the overall structure of SMEs decreased to **18.9 %**. Thus, there is a decline in the growth rate of SMEs in the form of legal entities.

The number of employees in SMEs increased by **18.3 %** over the year and reached **4,110** thousand people as of January 1, 2023. The share of the population employed in SMEs in the total employed population of the country as of January 1, 2023, increased by **6.3** percentage points and reached **45.8 %**.

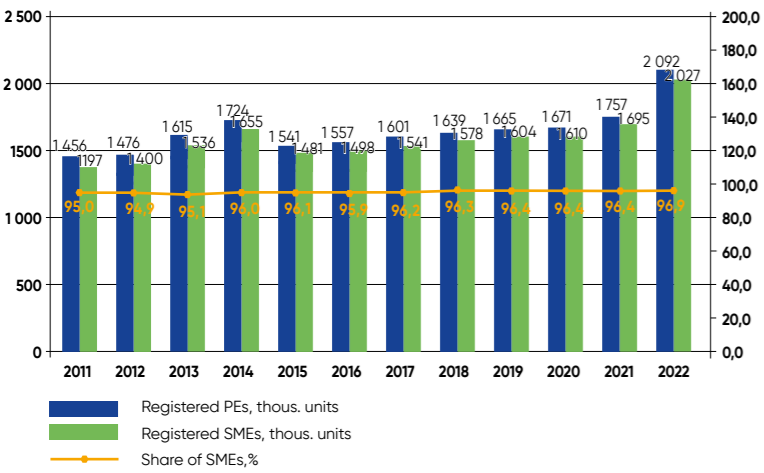
The production output by SMEs in 2022 exceeded **59.2** trillion. The growth of SME production output at comparable prices compared to 2021 was **38.2 %**. The share of SME value-added in the country's GDP at the end of 2022 is estimated at **36.5 %**, which is **3.2** percentage points higher than the 2021 figure.

According to the data for the four quarters of 2022, proceeds from CIT payments from small enterprises amounted to **1 744** billion. Thus, their share in the total amount of CIT proceeds amounted to **27.7 %**. In comparison with 2021, the increase in CIT from small enterprises amounted to **34 %**.

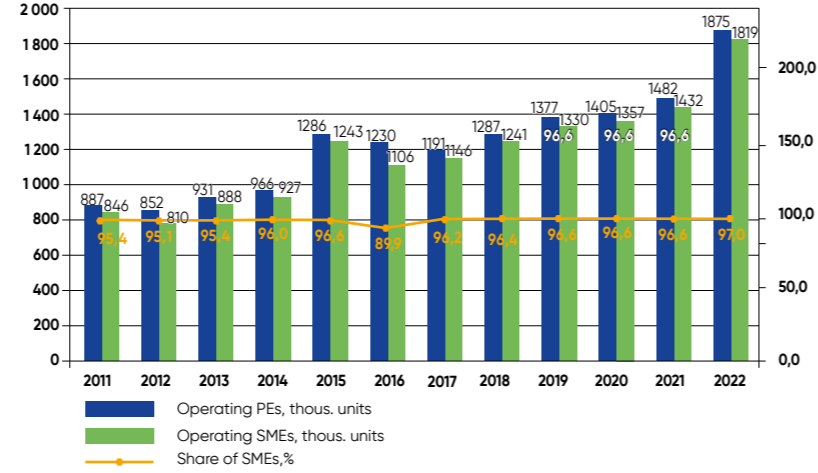
Loans to small businesses as of the beginning of 2023 amounted to **4.5** trillion, corresponding to the growth rate of the overall lending in the economy. As a result, their share in the total amount of loans in the economy stands at **19.9 %**.

Since 2010, in the SME industry there has been a decline in agriculture and construction sectors according to five main indicators: the share of operating companies, the number of employees and CIT (corporate income tax) receipts have significantly decreased. In absolute terms, the manufacturing sector has been growing (since 2010, the number of companies has increased by **5.3** times, the number of employees by **61.8** per cent, output by **9.4** times, CIT receipts by **4.7** times, and loans by **6.4** times).

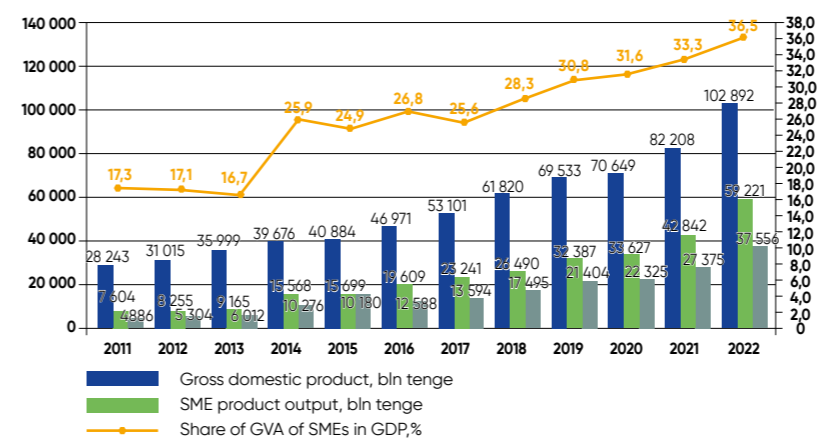
Registered SME and PE number dynamics



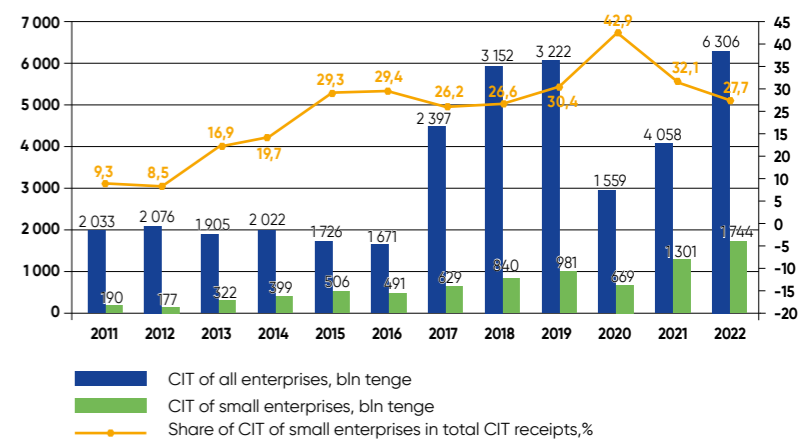
Active SME and PE number dynamics



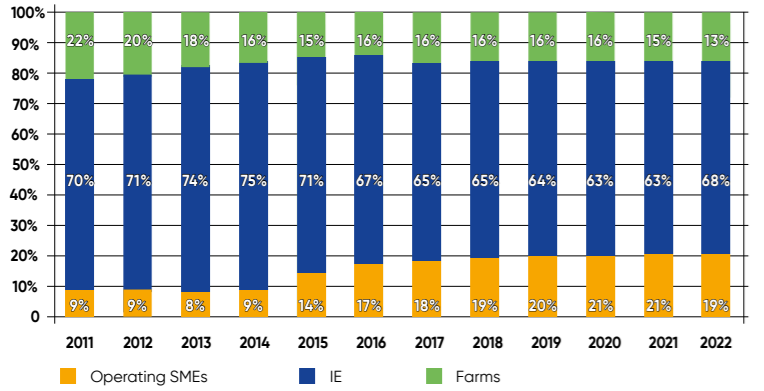
SMEs' contribution to GDP



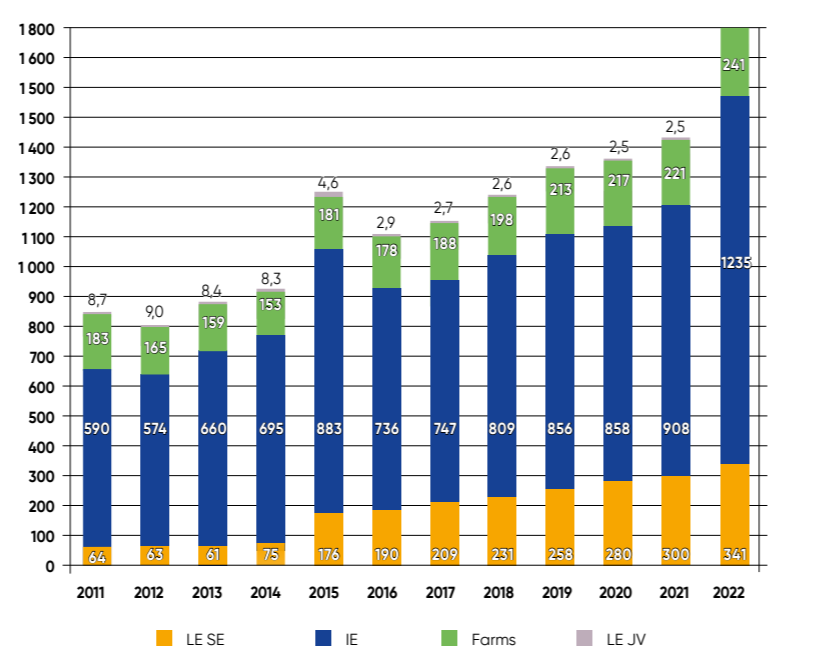
CIT share of small enterprises in the total amount of CIT proceeds



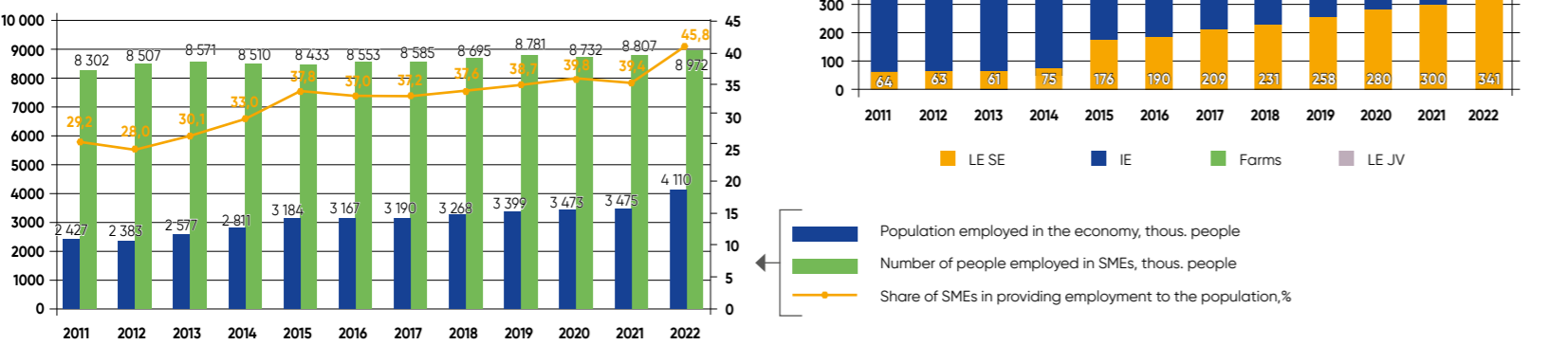
SME structure in terms of type (in %)



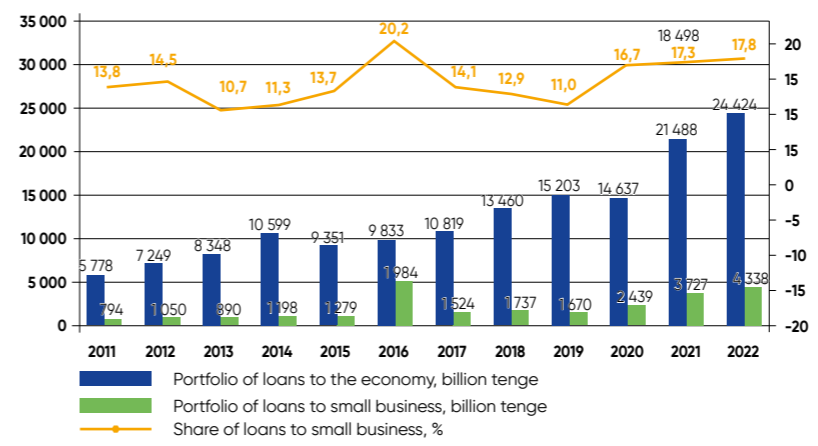
SME structure in terms of type (in thous. units)



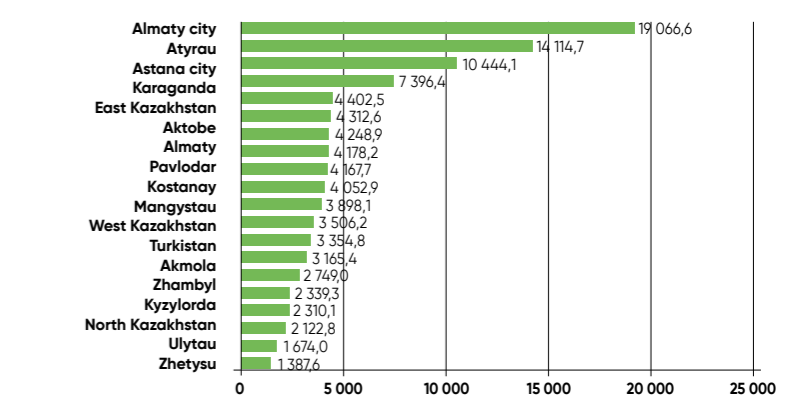
Share of employed in SMEs in the total number of employed population of the country



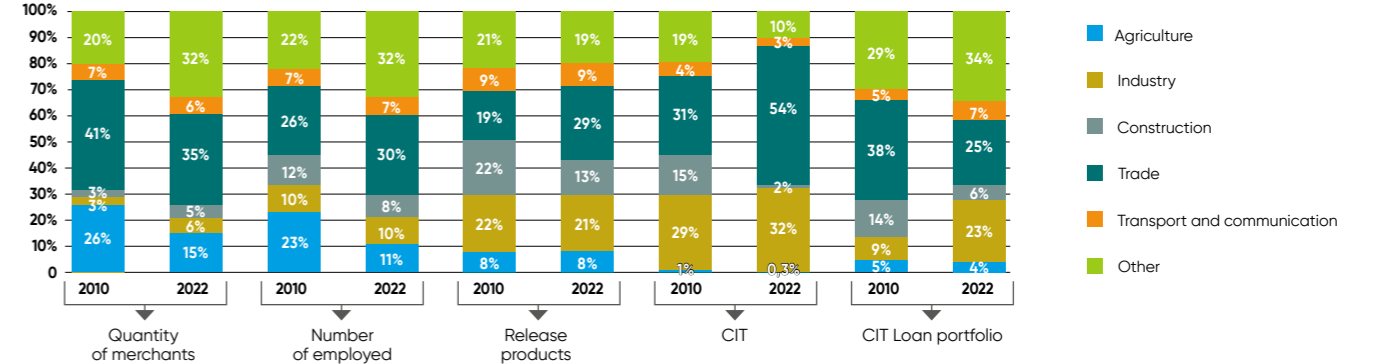
STB loan dynamics (for the period)



GRP for 2022, billion tenge (total: 102 891.8 billion tenge)



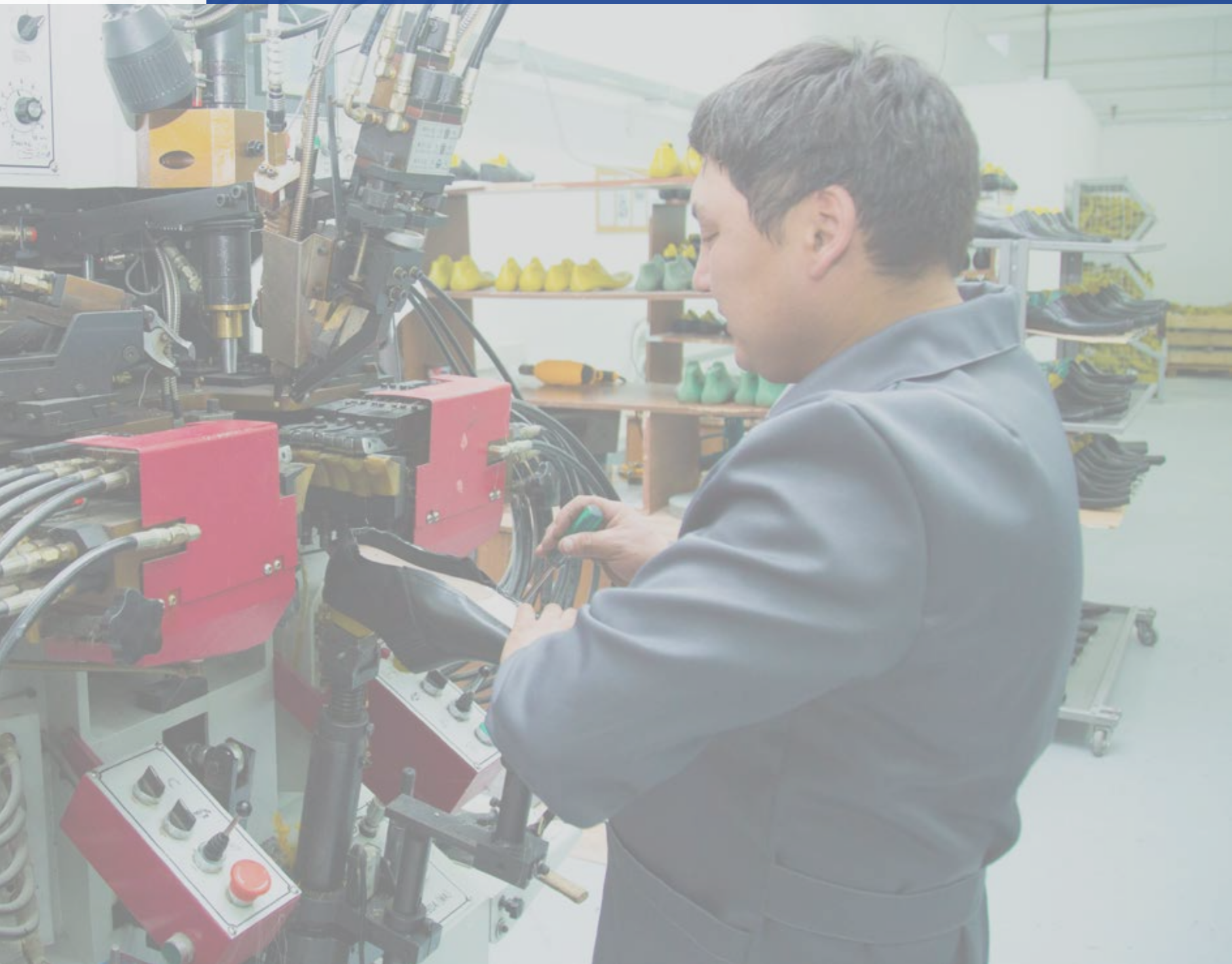
SME macroeconomic indicator sectoral structure





# 2.

## COMPARISON OF SME DEVELOPMENT INDICATORS IN THE REGIONS OF KAZAKHSTAN



AT THE END OF 2022, THE RANKINGS OF REGIONS IN KAZAKHSTAN BASED ON KEY INDICATORS OF SME SECTOR PERFORMANCE WERE AS FOLLOWS:

At the end of 2022, in terms of the number of active SMEs, the cities of Almaty and Astana, as well as the Turkestan region, were in the lead. These regions accounted for **37.5%** of all SMEs in the country. The smallest number of active SMEs was found in the Ulytau, North Kazakhstan, and Abai regions.

Regarding the proportion of active SMEs in the total number of registered SMEs, the top positions were occupied by the Turkestan, Kostanay, and Kyzylorda regions. In total, 14 regions had SME activity levels higher than the national average (above **89.7%**).

The highest concentration of registered enterprises with foreign participation or foreign ownership is in the city of Almaty, where such enterprises account for **14.0%** of the total number of small and medium-sized enterprises in the city. Additionally, in the Jambyl region, the share of enterprises with foreign participation is **13.0%**, exceeding the national average (**8.4%**).

The total number of employees in SMEs as of January 1, 2022, was **4,110** thousand people, an increase of **18.3%** over the year. The distribution of the population employed in SMEs is uneven, with the largest number of people employed in SMEs in Almaty, Astana, Turkestan, Karaganda, and Almaty regions.

The volume of output of the entire SME sector in Kazakhstan in 2022 amounted to **59 221** billion tenge. In the regional context, the largest contribution to production is made by SMEs in Almaty (**15 775** billion tenge) and Astana (**11 423** billion tenge), the volume of production of which is **45.9 %** of the total output of SMEs in the country.

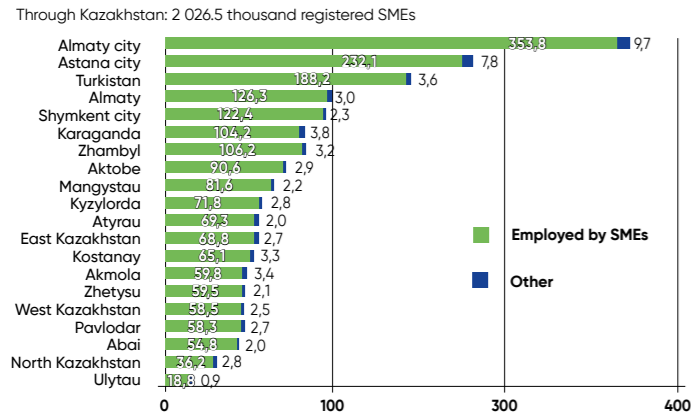
The total amount of CIT paid by small enterprises for 2022 amounted to **1 744** billion tenge. The leaders in terms of payment amounts are Atyrau region, Batys Kazakhstan region and Almaty city. Their small enterprises paid more than **73 %** of all CIT proceeds from small enterprises in the country.

The size of the total STB portfolio of loans to small business as of 01.01.2023 amounted to **4 530** billion tenge. The dominant position in the regional structure of loan services to small business by banks is taken by the city of Almaty – **2 387.5** billion tenge or **52.7 %** of loans to small business in the country. The second place in terms of the loan portfolio is taken by the city of Astana (**637.6** billion tenge). Both cities account for more than **66 %** of all loans in the small business segment.

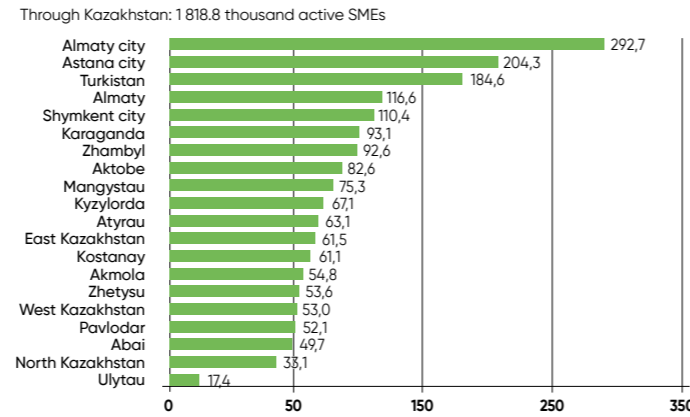
Note: Compiled according to the Agency for Strategic planning and reforms of the Republic of Kazakhstan Bureau of National statistics ([www.stat.gov.kz](http://www.stat.gov.kz)) and the National Bank of the Republic of Kazakhstan ([www.nationalbank.kz](http://www.nationalbank.kz)).

\* Data for 2022 are compiled on the basis of the latest update and assessment of the Damu Fund

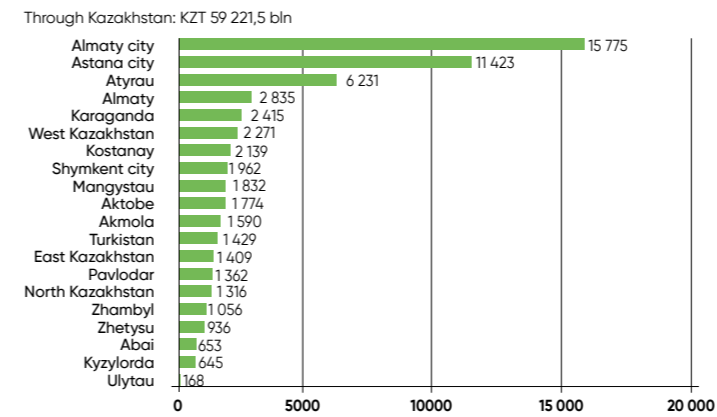
**Number of registered SMEs and PEs as of 01.01.2023 r., thousand units**



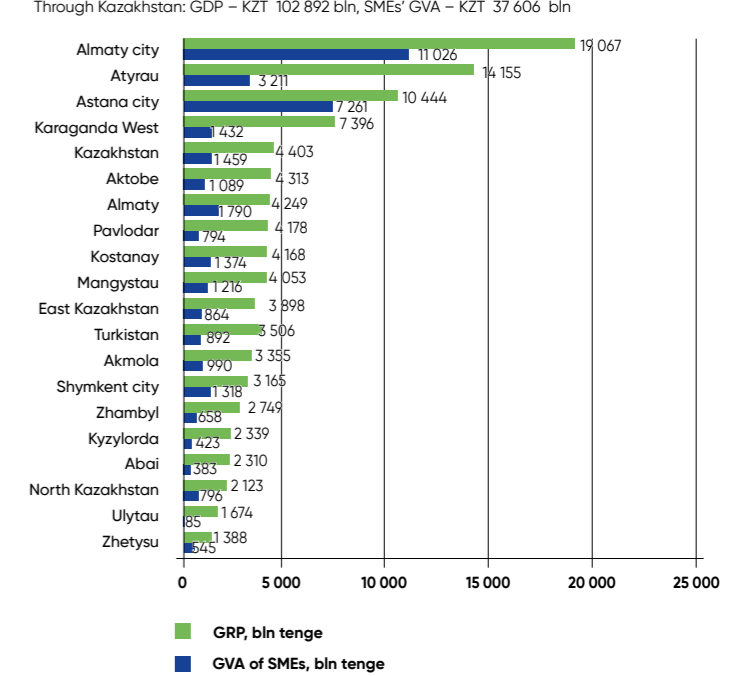
**Number of active SMEs as of 01.01.2023, thousand units**



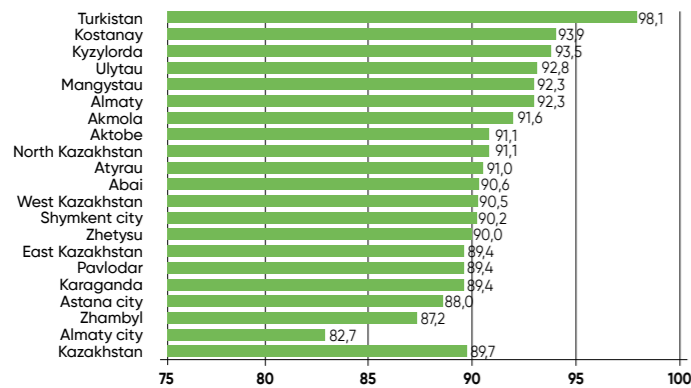
**SME output for 2022 by region, billion tenge**



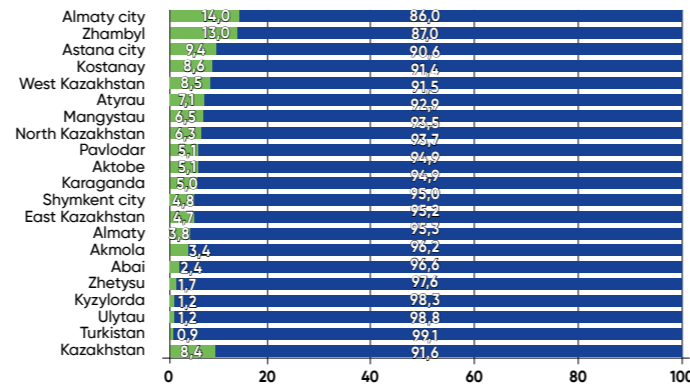
**GRP and GVA of SMEs for 2022 by region, billion tenge**



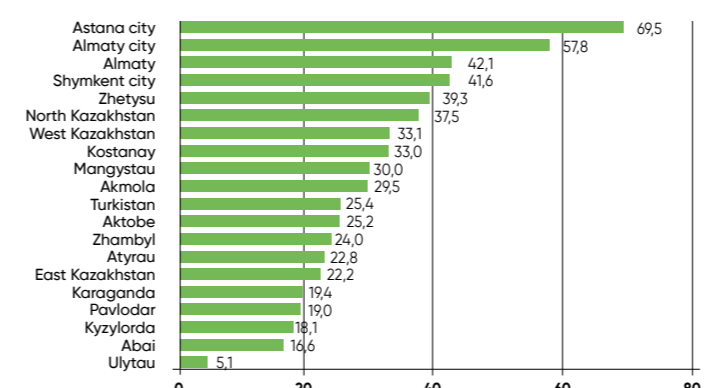
**Share of active SMEs in the total number of registered SMEs as of 01.01.2023, %**



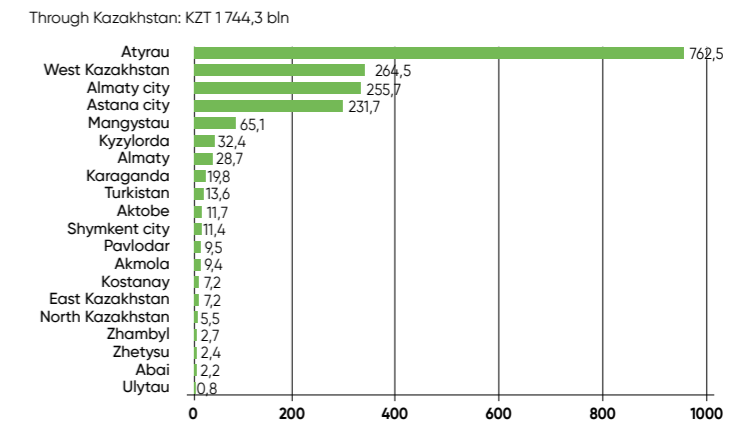
**Share of SMEs with foreign participation (based on data on legal entities)**



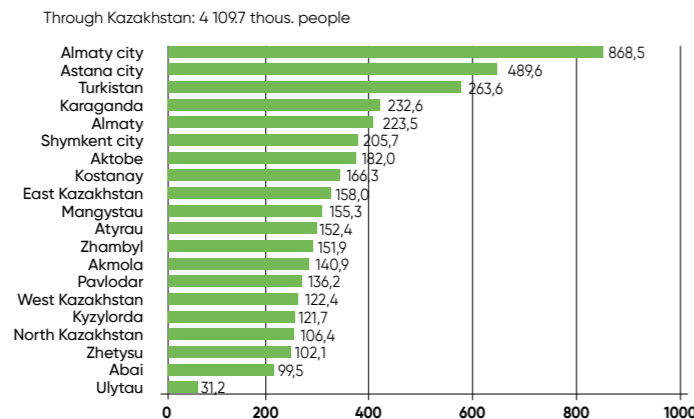
**Share of SMEs' GVA in GRP, %**



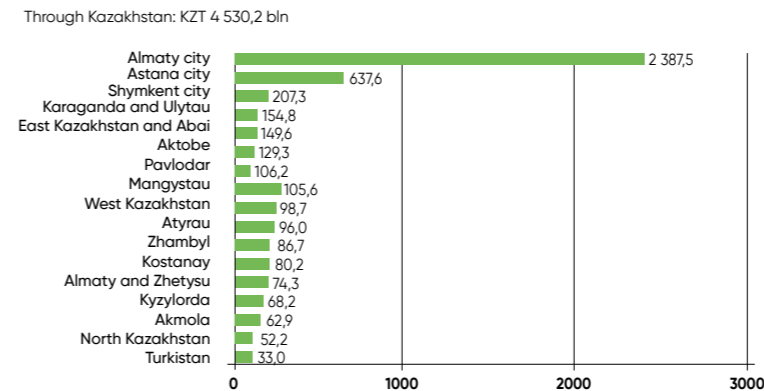
**CIT of small enterprises for 2022 by region, billion tenge**



**Number of employees in SMEs by region as of 01.01.2023, thousand people**



**STB portfolio of loans to small business by region as of 01.01.2023**

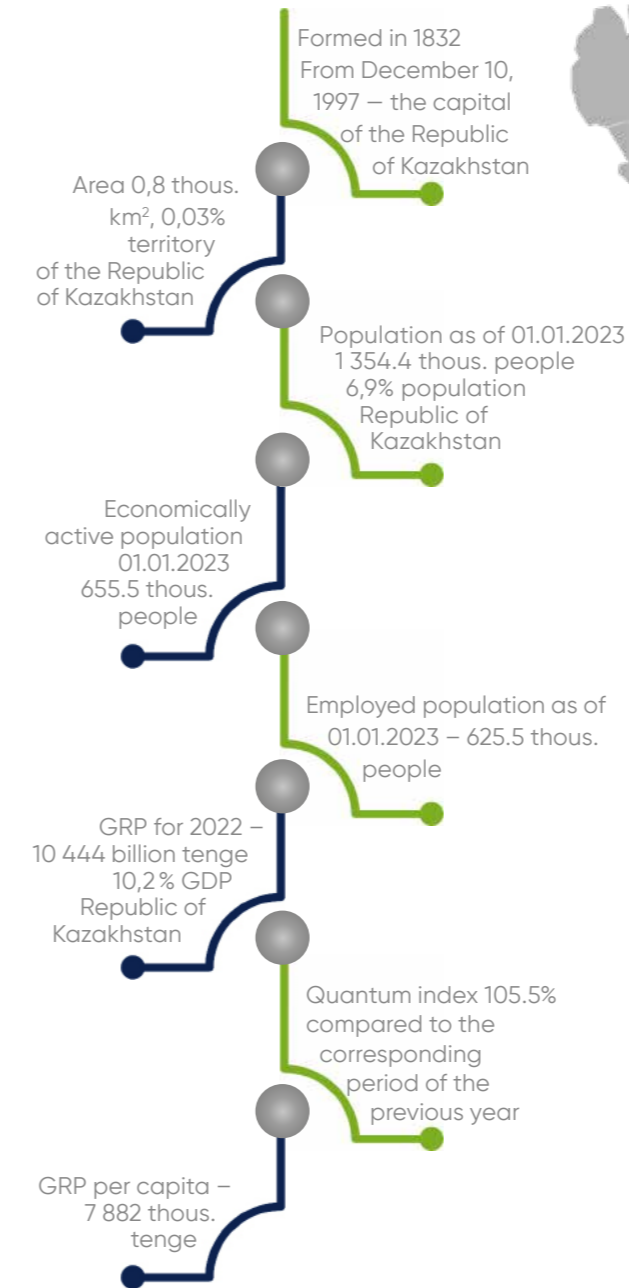


# 3.

## ANALYSIS OF THE DEVELOPMENT OF SMES IN THE REGIONS OF THE REPUBLIC OF KAZAKHSTAN



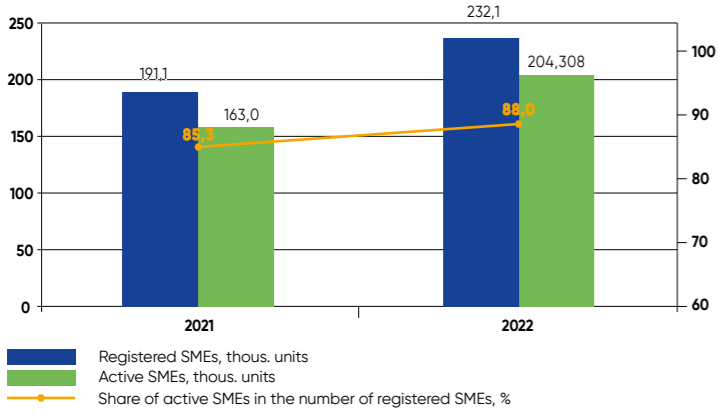
### Small and medium entrepreneurship in the city of Astana



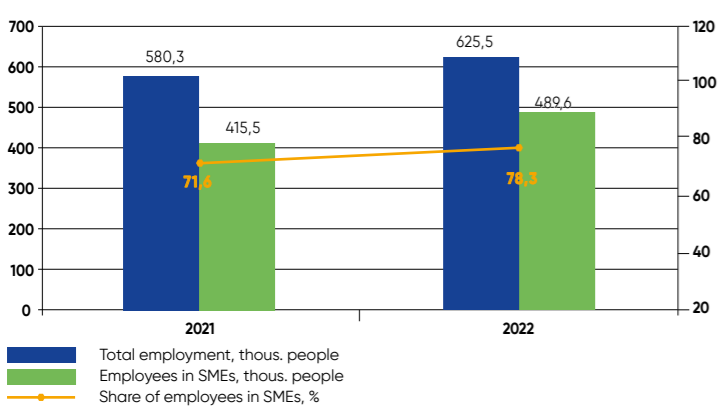
### Main changes in the SME sector of the city of Astana for 2022:

- The number of registered SMEs increased by 21.4%; the number of active SMEs increased by 25.3%. Their share increased from 85.3% to 88.0%.
- The sectoral structure is dominated by the entities engaged in trade (33.9%), services (16.5%) and construction (10.4%).
- The number of the population employed by SMEs increased by 17.8%. The share of people employed by SMEs in the total number of employed increased from 71.6% to 78.3%.
- The output of SMEs (in comparable prices) increased by 29.0%. The share of SMEs' GVA in GRP increased from 66.9% to 69.5%.
- The CIT expenses of small enterprises decreased by 42%. Their share in the total CIT expenses of all enterprises increased from 59.7% to 22.0%.
- The portfolio of loans to small business increased by 4.2%. Its share in the total portfolio of loans to the economy decreased from 24.4% to 20.0%.

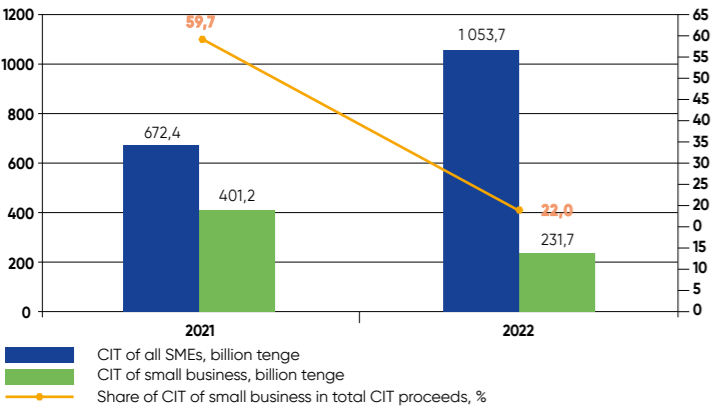
### Share of Active SMEs in Astana in the total number of registered SMEs



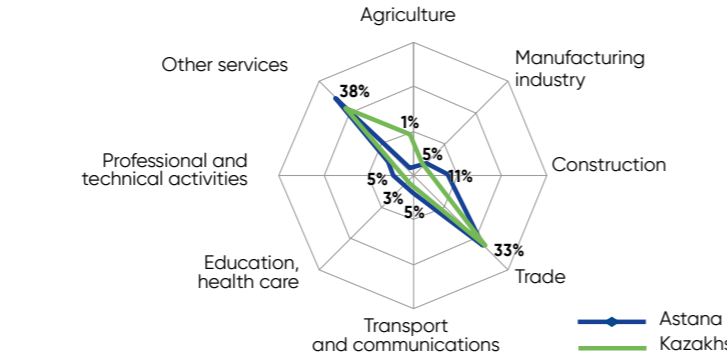
### Share of Employees in SMEs in Astana in the total number of employees



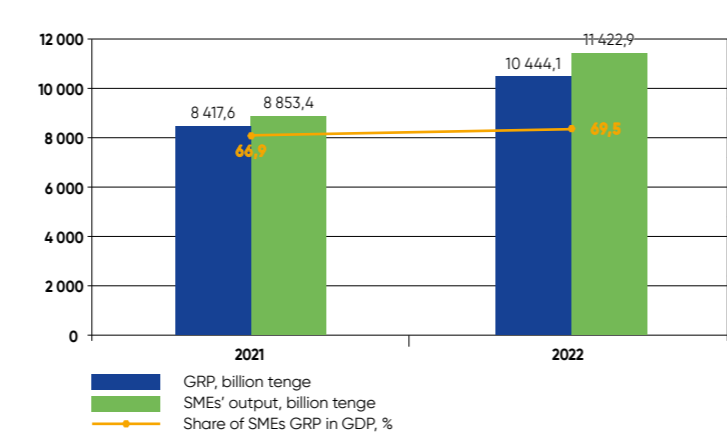
### Dynamics of CIT paid by small enterprises of Astana



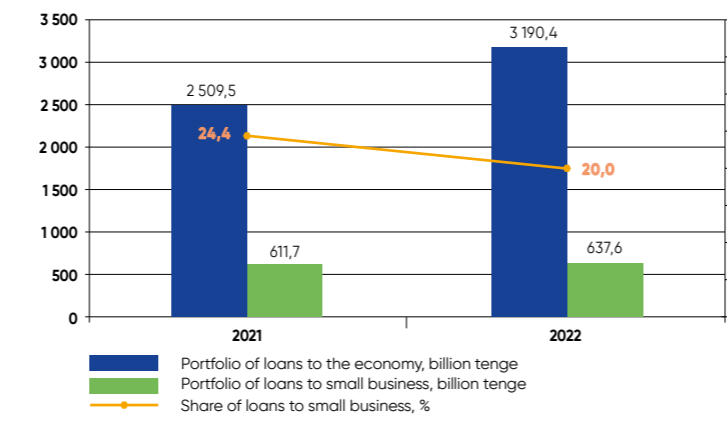
### Structure of registered SMEs by nature of business



### SME output and GRP dynamics in Astana



### STB portfolio of loans to the economy and small business of Astana



## Results of the Damu Fund programs in Astana

### LENDING

	Number of projects	Amount of loans, million tenge
2021	413	17 861
2022	258	14 563

### SUBSIDIZING

	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	2 892	214 591	12 279
2022	1 855	125 088	18 350

### GUARANTEE

	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	1 139	30 952	14 082
2022	1 544	39 405	20 251

# Small and medium entrepreneurship in Almaty

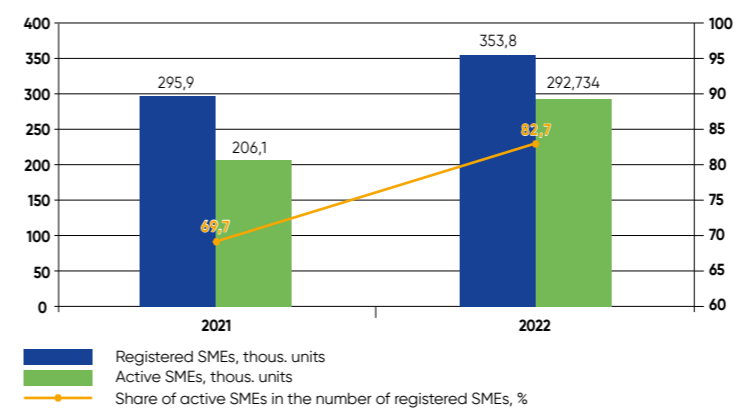


- Formed in 1854, from 1929 to 1997 – the capital of the Republic of Kazakhstan
- Area 0.7 thous. km<sup>2</sup>, 0.03% of the territory of the Republic of Kazakhstan
- Population as of 01.01.2023 2 161.7 thous. people 10.9% of the population of the Republic of Kazakhstan
- Economically active population as of 01.01.2023 1 051.0 thous. people
- Employed population as of 01.01.2023 998.0 thous. people
- GRP for 2022 19 067 billion tenge 18.5% GDP Republic of Kazakhstan
- Quantum index 105.1% compared to the corresponding period of the previous year
- GRP per capita – 8 944.8 thous. tenge

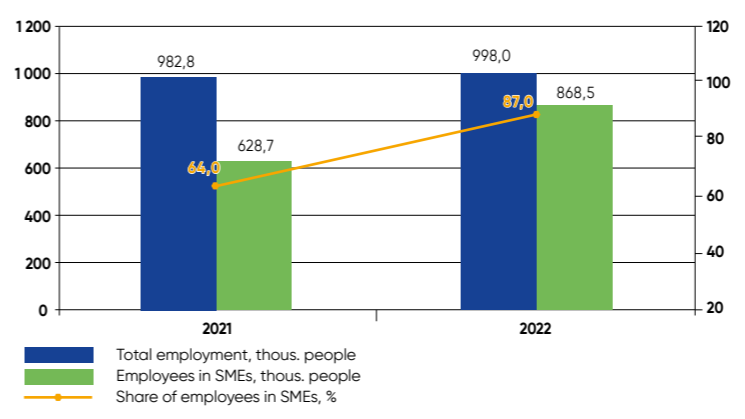
## Main changes in the SME sector of the city of Almaty for 2022:

- The number of registered SMEs increased by 19.6%; the number of active SMEs increased by 42.0%. Their share also increased from 69.7% to 82.7%.
- The sectoral structure is dominated by trade entities (40.2%), service entities (16.6%) and real estate transactions (6.6%).
- The number of the population employed in SMEs increased by 38.1%. The share of the employed in SMEs of the total number of employed increased from 64.0% to 87.0%.
- The output of SMEs (in comparable prices) increased to 50.5%. The share of SMEs' GVA in GRP increased from 46.5% to 57.8%.
- The CIT expenses of small enterprises increased by 13.8%. Their share in the total CIT expenses of all enterprises decreased from 44.1% to 29.9%.
- The portfolio of loans to small business increased by 25.5%. Its share in the total portfolio of loans to the economy increased from 23.3% to 23.9%.

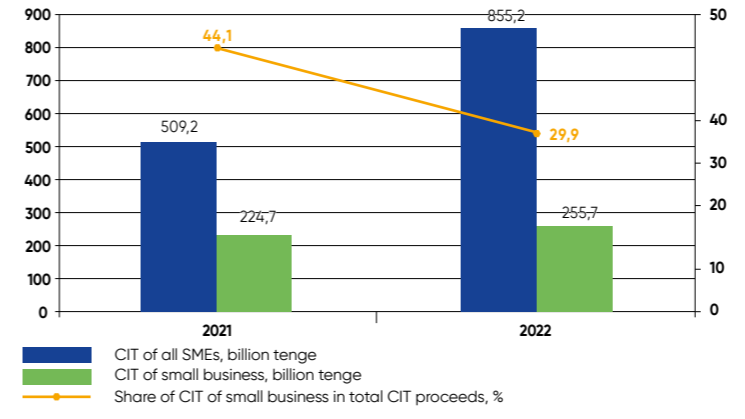
### Share of Active SMEs in Almaty in the total number of registered SMEs



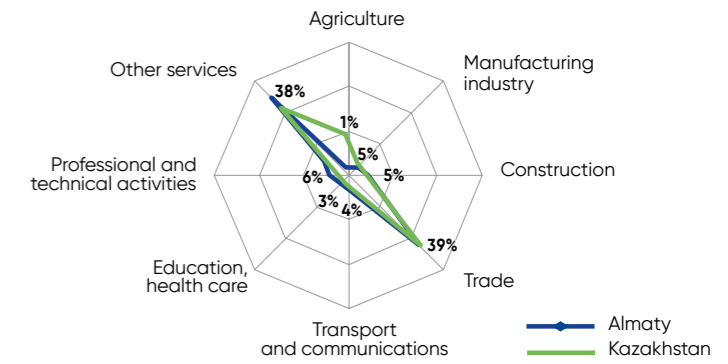
### Share of Employees in SMEs in Almaty in the total number of employees



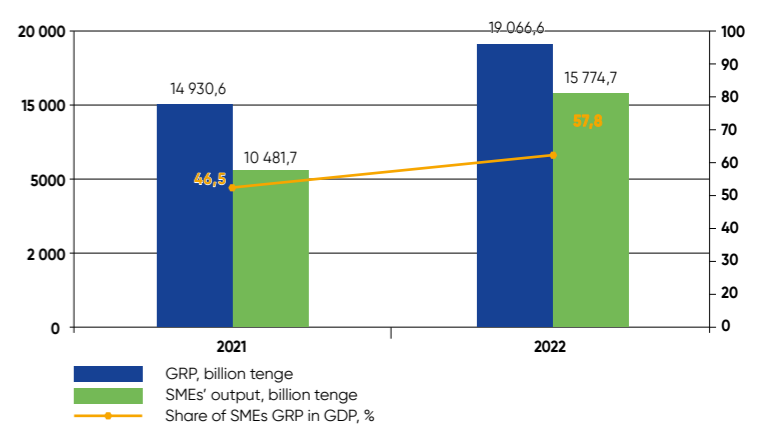
### Dynamics of CIT paid by small enterprises of Almaty



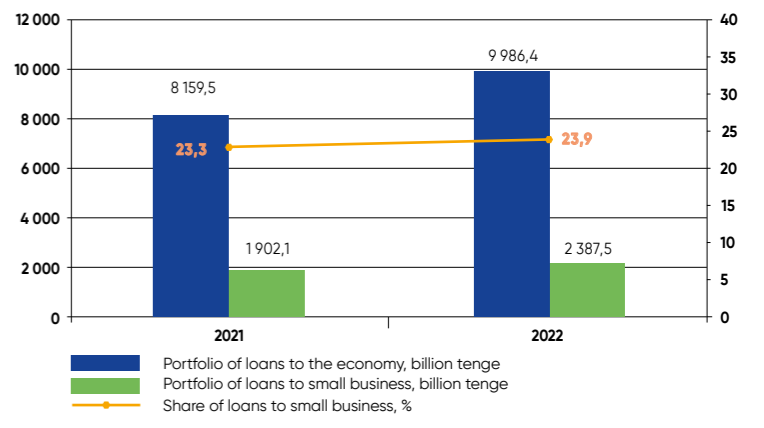
### Structure of registered SMEs by nature of business



### SME output and GRP dynamics in Almaty



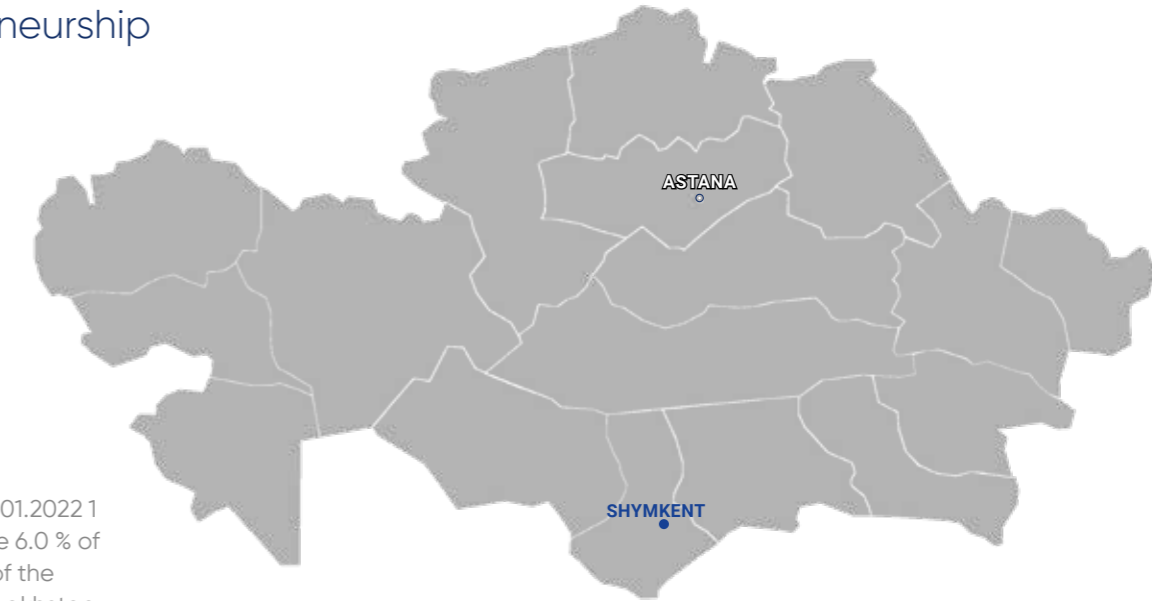
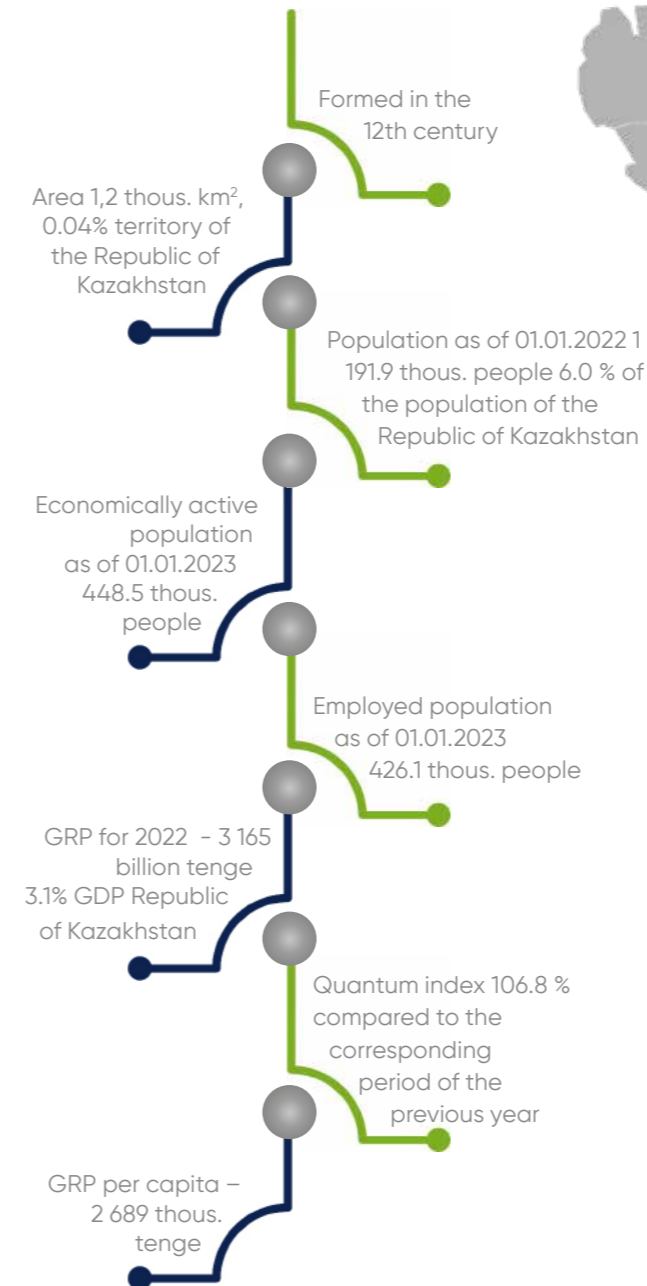
### STB portfolio of loans to the economy and small business of Almaty



## Results of the Damu Fund programs in Almaty

LENDING			
	Number of projects	Amount of loans, million tenge	
2021	821	54 289	
2022	519	45 533	
SUBSIDIZING			
	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	3 137	304 208	21 946
2022	1 712	99 775	29 274
GUARANTEE			
	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	1 254	31 114	14 629
2022	1 200	34 845	16 746

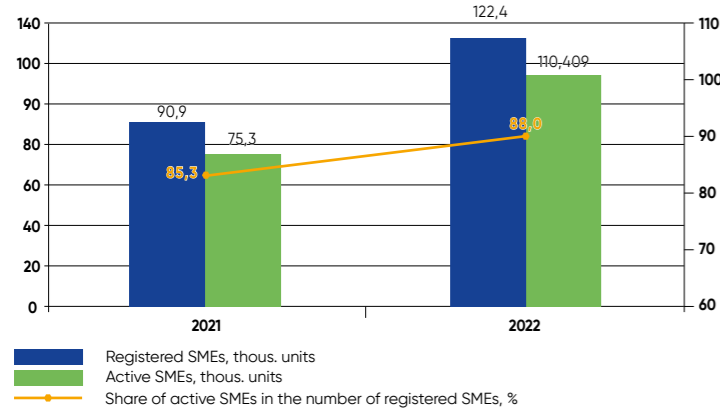
## Small and medium entrepreneurship in Shymkent



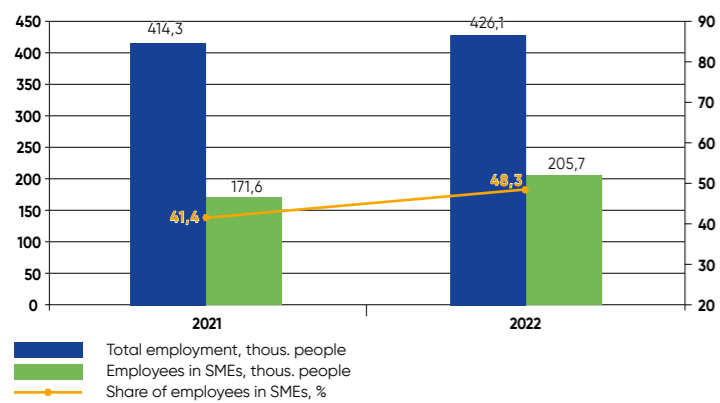
### Main changes in the SME sector of the city of Shymkent for 2022:

- The number of registered SMEs increased by 34.7%, the number of active SMEs increased by 46,6%. Their share increased from 82.9% to 90.2%.
- The sectoral structure is dominated by the entities engaged in trade (42%), services (21%) and industry (8%).
- The number of people employed by SMEs increased by 19.8%. The share of the employed in SMEs of the total number of employed increased from 41.4% to 48.3%.
- The output of SMEs (in comparable prices) increased by 22.0%. The share of SMEs' GVA in GRP decreased from 42.3% to 41.6%.
- The CIT expenses of small enterprises increased by 8.3%. Their share in the total CIT expenses of all enterprises decreased from 57.3% to 24.3%.
- The portfolio of loans to small business increased by 28.6%. Its share in the total portfolio of loans to the economy increased from 16.7% to 16.8%.

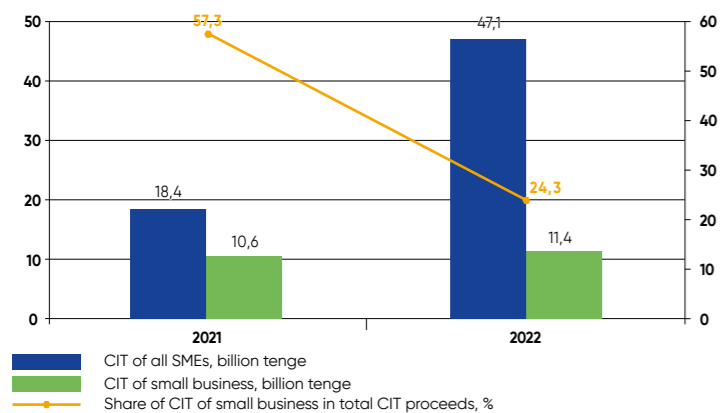
Share of Active SMEs in Shymkent in the total number of registered SMEs



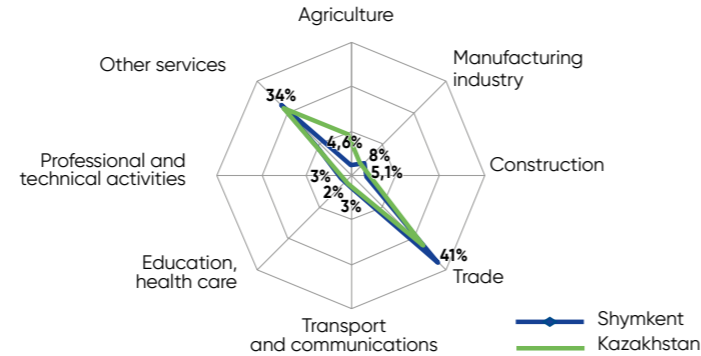
Share of Employees in SMEs in Shymkent in the total number of employees



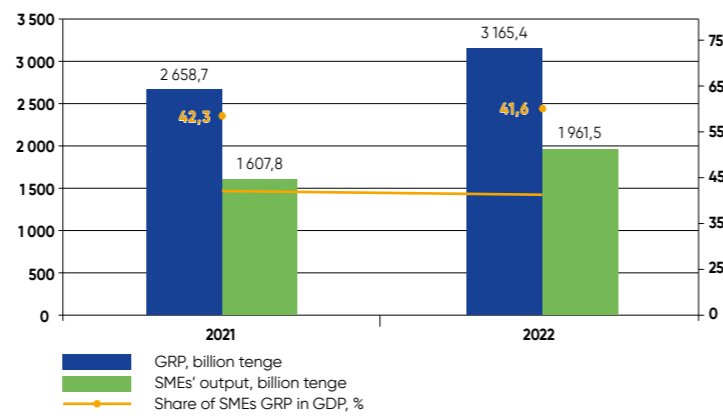
Dynamics of CIT paid by small enterprises of Shymkent



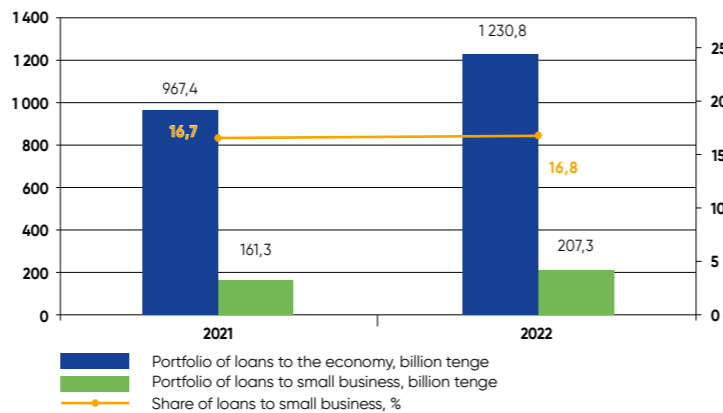
Structure of registered SMEs by nature of business



SME output and GRP dynamics in Shymkent



STB portfolio of loans to the economy and small business of Shymkent



## Results of the Damu Fund programs in Shymkent

### LENDING

	Number of projects	Amount of loans, million tenge
2021	531	21 356
2022	587	17 021

### SUBSIDIZING

	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	1 559	87 897	7 082
2022	1 701	53 704	12 864

### GUARANTEE

	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	1 126	13 717	7 127
2022	1 408	18 622	10 160

## Small and medium entrepreneurship in the Akmola region



Formed on October 14, 1939

Area 146,2 thous. km<sup>2</sup>, 5.4% of the territory of the Republic of Kazakhstan

Population as of 01.01.2023 788.0 thous. people 4.0 % of the population of the Republic of Kazakhstan

Economically active population as of 01.01.2023 – 442.4 thous. people

Employed population as of 01.01.2023 421.4 thous. people

GRP for 2022 – 3 355 billion tenge 3.3% GDP Republic of Kazakhstan

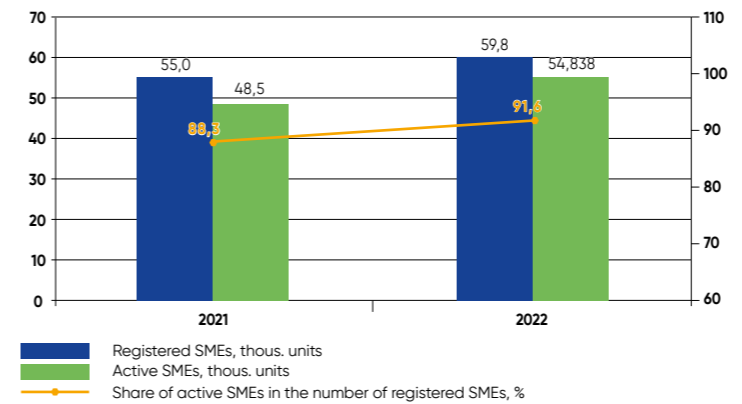
Quantum index 108.4 % compared to the corresponding period of the previous year

GRP per capita – 4 263.6 thous. tenge

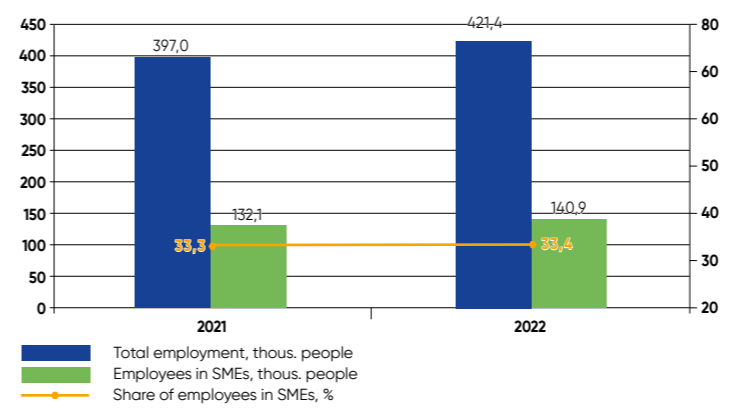
### Main changes in the SME sector of the Akmola region for 2022:

- The number of registered SMEs increased by 8.8%, the number of active SMEs, on the contrary, increased by 13.0%. Their share increased from 88.3% to 91.6%.
- The sectoral structure is dominated by the entities engaged in trade (36.2%), agriculture (18.8%) and services (13.0%).
- The number of the population employed by SMEs increased by 6.7%. The share of people employed by SMEs in the total number of employed increased from 33.3% to 33.4%.
- The output of SMEs (in comparable prices) increased by 34.4%. The share of SMEs' GVA in GRP increased from 28.2% to 29.5%.
- The CIT expenses of small enterprises increased by 170.3%. Their share in the total CIT expenses of all enterprises increased from 5.6% to 9.8%.
- The portfolio of loans to small business increased by 14.0%. Its share in the total portfolio of loans to the economy decreased from 17.3% to 14.9%.

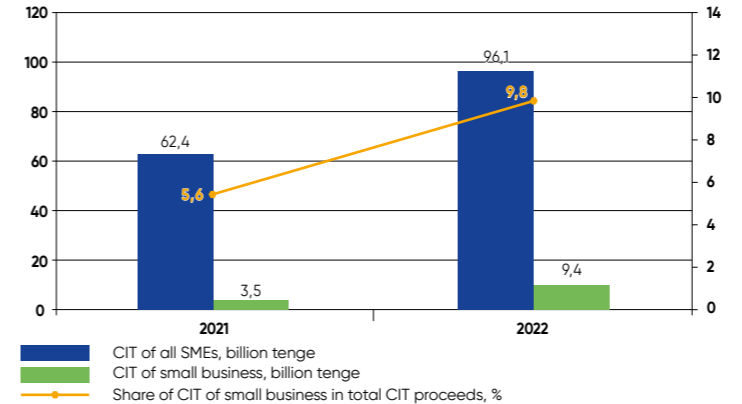
### Share of Active SMEs in the Akmola region in the total number of registered SMEs



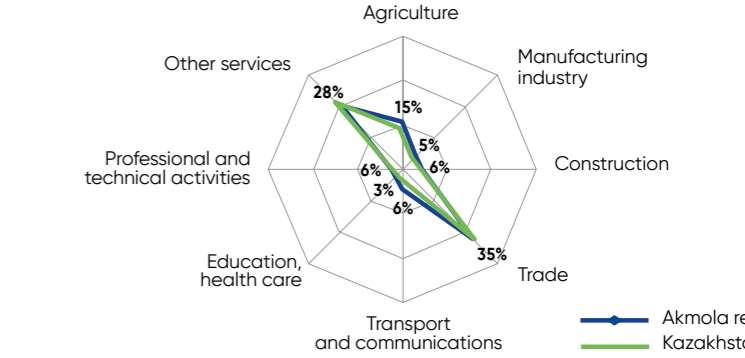
### Share of Employees in SMEs in the Akmola region in the total number of employees



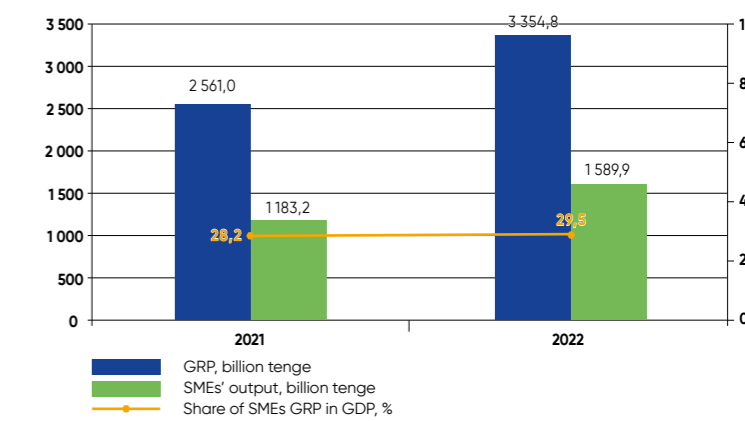
### Dynamics of CIT paid by small enterprises of the Akmola region



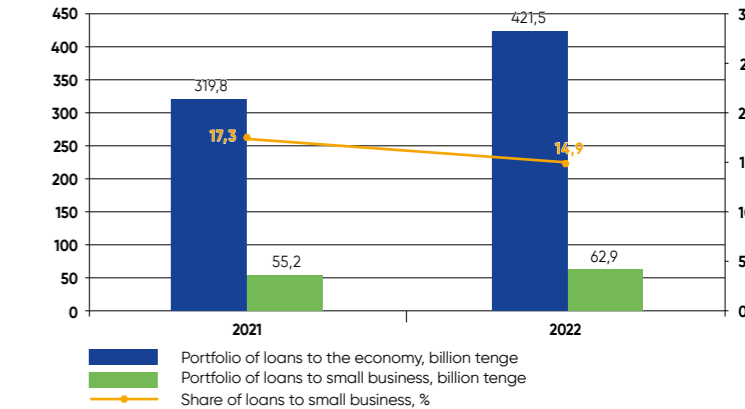
### Structure of registered SMEs by nature of business



### SME output and GRP dynamics in the Akmola region



### STB portfolio of loans to the economy and small business of the Akmola region





## Results of the Damu Fund programs in the Akmola region

LENDING			
	Number of projects	Amount of loans, million tenge	
2021	364	6 499	
2022	221	4 372	

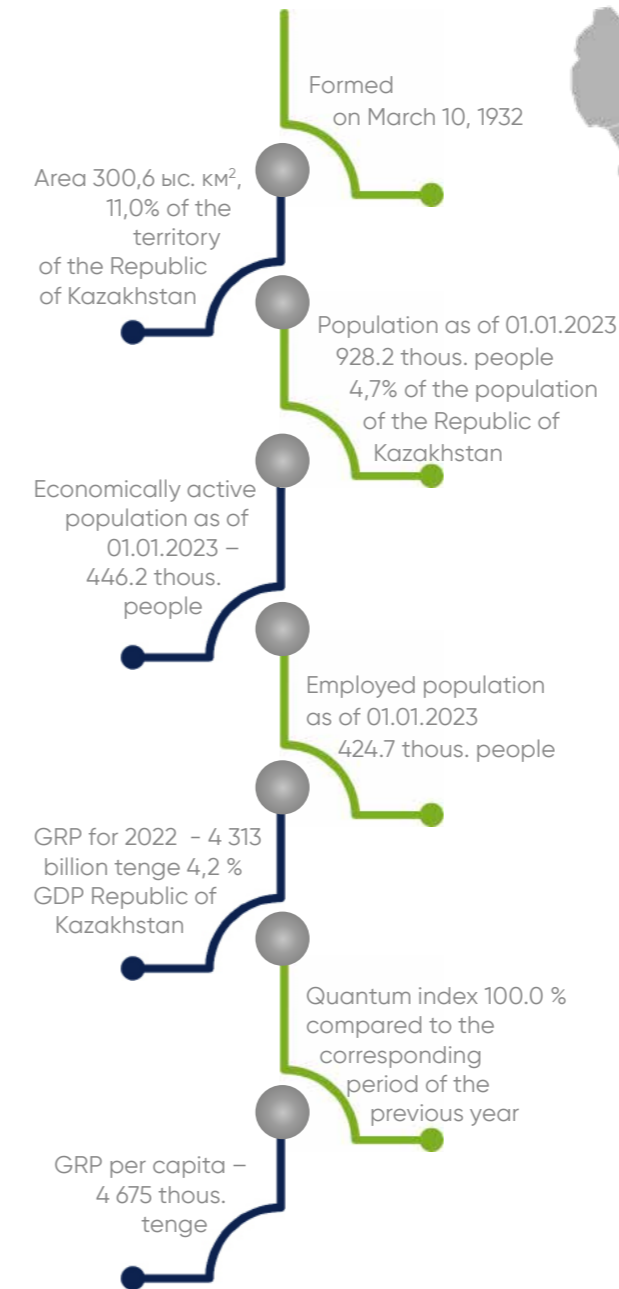
  

SUBSIDIZING			
	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	1 201	41 356	4 602
2022	730	28 358	5 526

GUARANTEE			
	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	464	10 816	5 753
2022	570	10 378	6 163

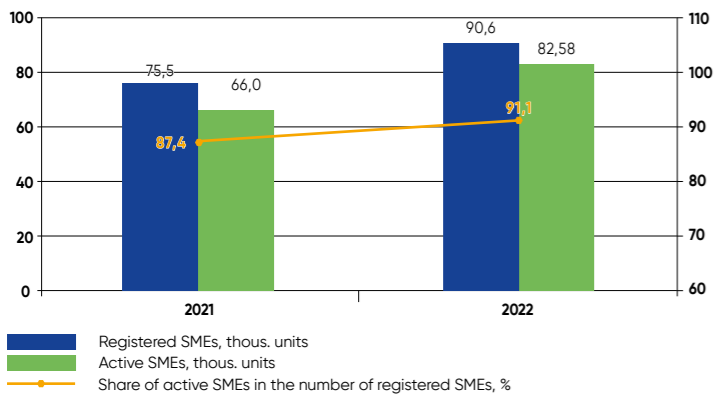
## Small and medium entrepreneurship in the Aktobe region



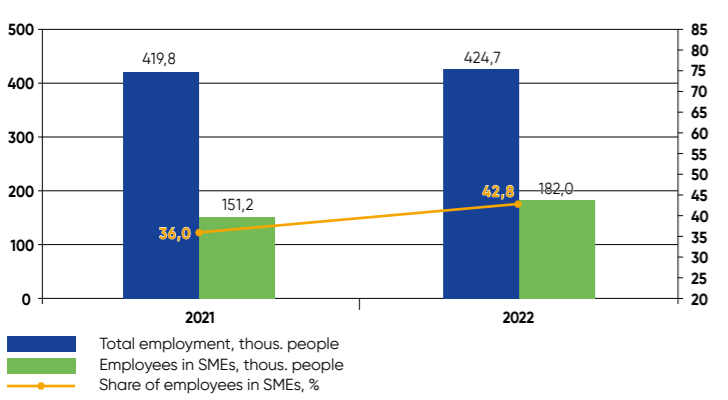
### Main changes in the SME sector of the Aktobe for 2022:

- The number of registered SMEs increased by 20.0%; the number of active SMEs increased by 25.1%. Their share increased from 87.4% to 91.1%.
- The sectoral structure is dominated by the entities engaged in trade (36.7%), services (18.1%) and agriculture (11.7%).
- The number of the population employed by SMEs increased by 20.4%. The share of people employed by SMEs in the total number of employed increased from 36.0% to 42.8%.
- The output of SMEs (in comparable prices) increased by 24.0%. The share of SMEs' GVA in GRP decreased from 24.3% to 25.2%.
- The CIT expenses of small enterprises increased by 81.2%. Their share in the total CIT expenses of all enterprises decreased from 3.8% to 5.1%.
- The portfolio of loans to small business increased by 14.4%. Its share in the total portfolio of loans to the economy decreased from 19.0% to 17.2%.

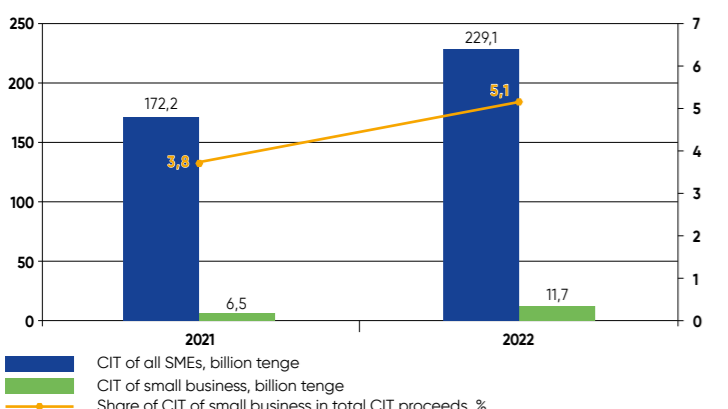
### Share of Active SMEs in the Aktobe region in the total number of registered SMEs



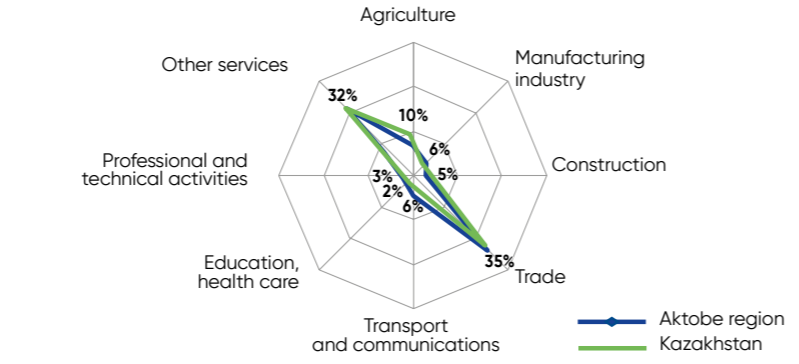
### Share of Employees in SMEs in the Aktobe region in the total number of employees



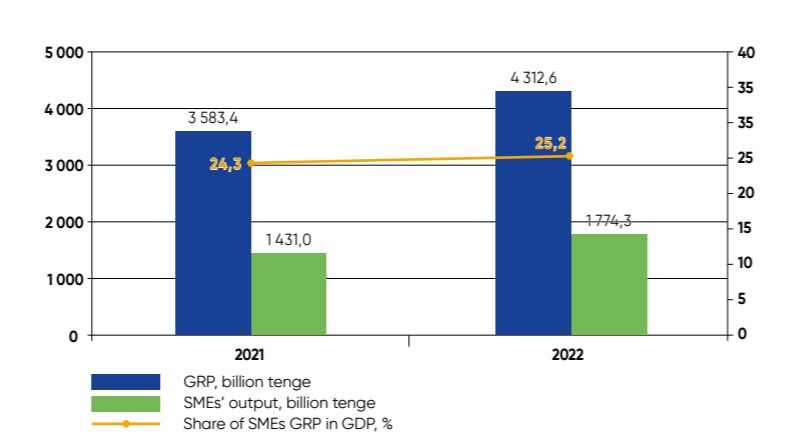
### Dynamics of CIT paid by small enterprises of the Aktobe region



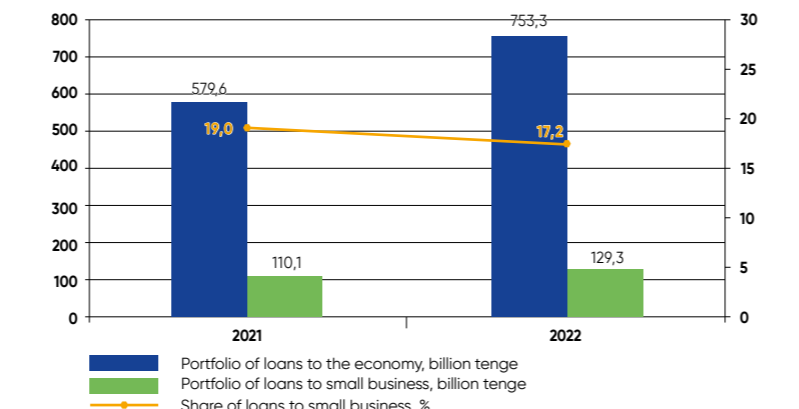
### Structure of registered SMEs by nature of business



### SME output and GRP dynamics in the Aktobe region



### STB portfolio of loans to the economy and small business of the Aktobe region



## Results of the Damu Fund programs in the Aktobe region

### LENDING

	Number of projects	Amount of loans, million tenge
2021	388	6 932
2022	173	8 166

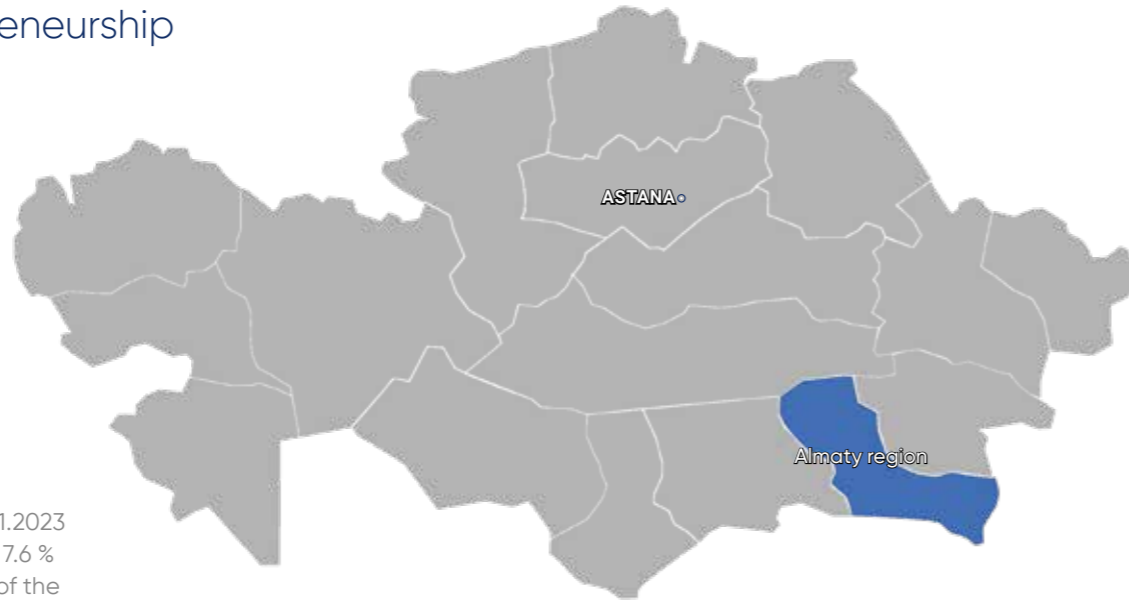
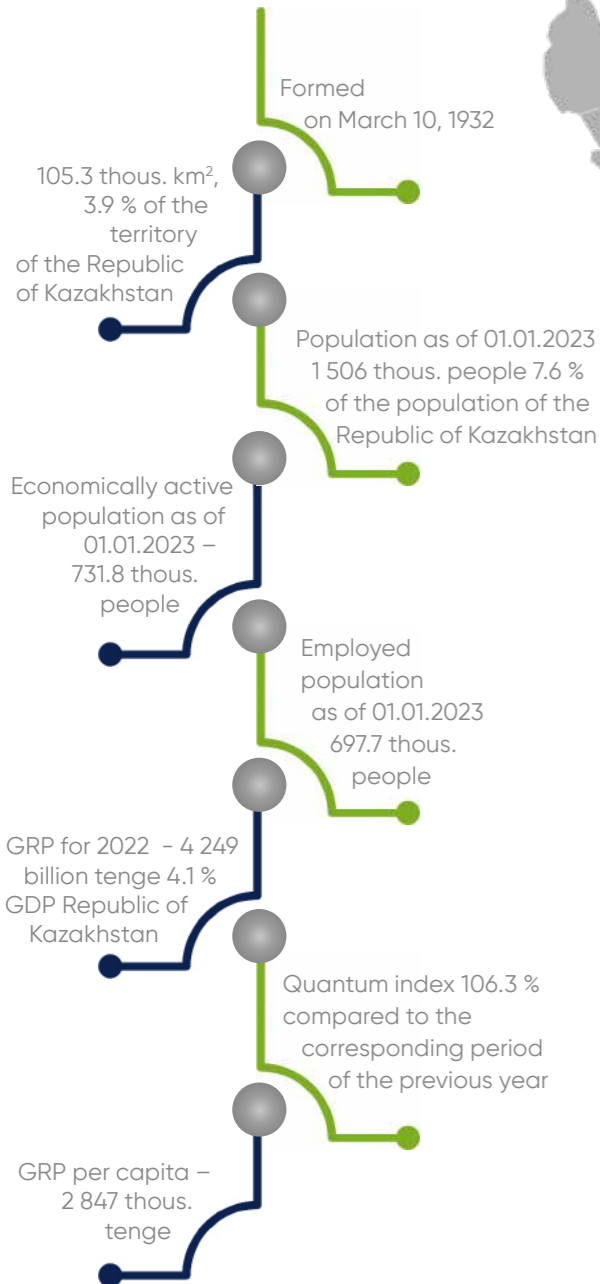
### SUBSIDIZING

	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	2 545	68 091	4 610
2022	2 393	66 706	7 615

### GUARANTEE

	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	1 911	25 398	15 170
2022	2 146	34 713	20 005

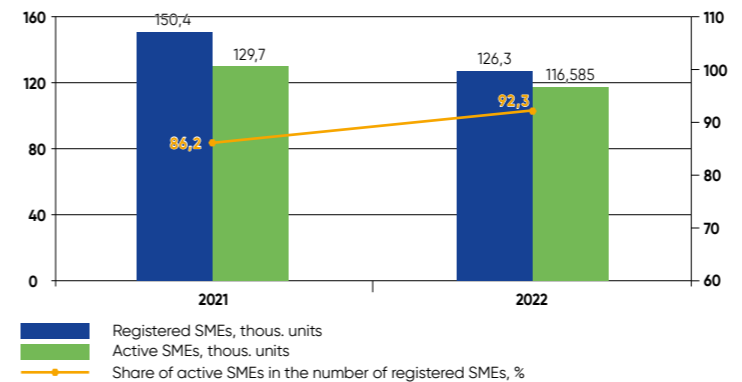
## Small and medium entrepreneurship in the Almaty region



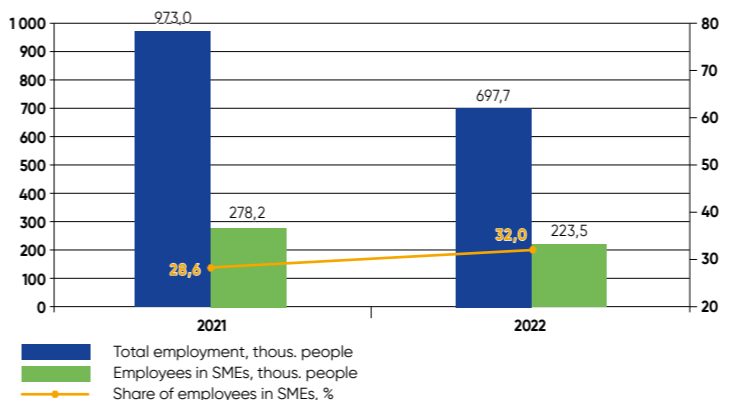
### Main changes in the SME sector of the Almaty region for 2022:

- The number of registered SMEs remained virtually unchanged, having decreased by 16.0%; the number of active SMEs decreased by 10.1%. Their share increased from 86.2 % to 92.3 %.
- The sectoral structure is dominated by the entities engaged in trade (33.9%), agriculture (24.7%) and services (15.6 %).
- The number of the population employed in SMEs decreased by 19.7 %. The share of people employed by SMEs in the total number of employed increased from 28.6 % to 32.0 %.
- The output of SMEs (in comparable prices) increased by 7.8%. The share of SMEs' GVA in GRP increased from 37.5 % to 42.1 %.
- The CIT expenses of small enterprises increased by 0.1%. Their share in the total CIT expenses of all enterprises decreased from 44.5 % to 31.7 %.
- The portfolio of loans to small business decreased by 14.4 %. Its share in the total portfolio of loans to the economy also decreased from 15.7 % to 13.4 %.

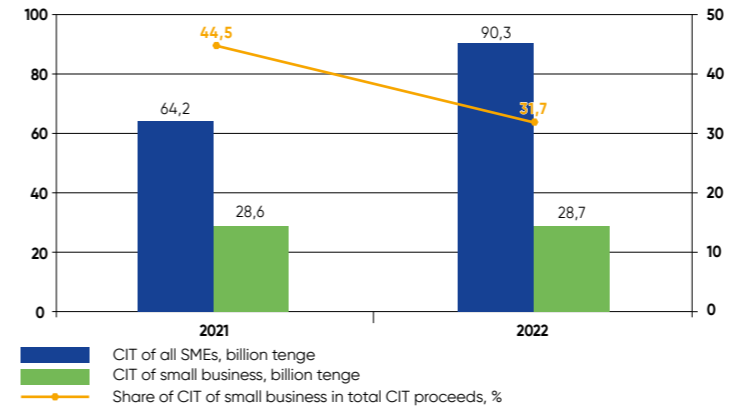
### Share of Active SMEs in the Almaty region in the total number of registered SMEs



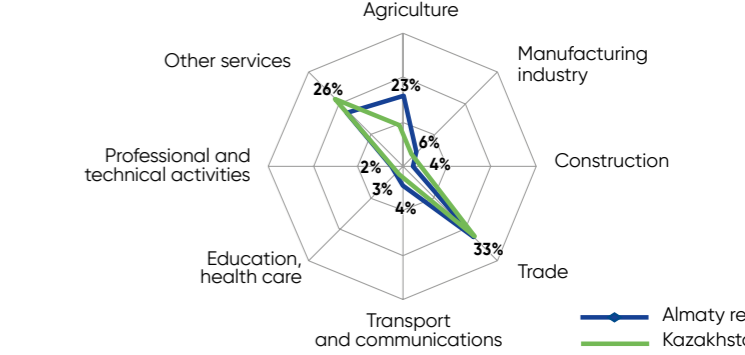
### Share of Employees in SMEs in the Almaty region in the total number of employees



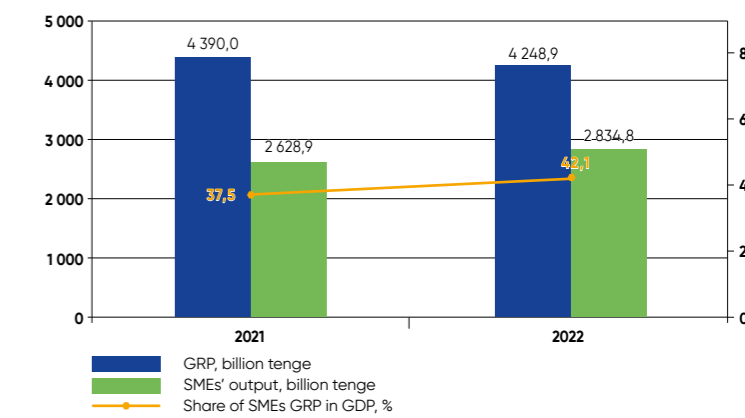
### Dynamics of CIT paid by small enterprises sector of the Almaty region



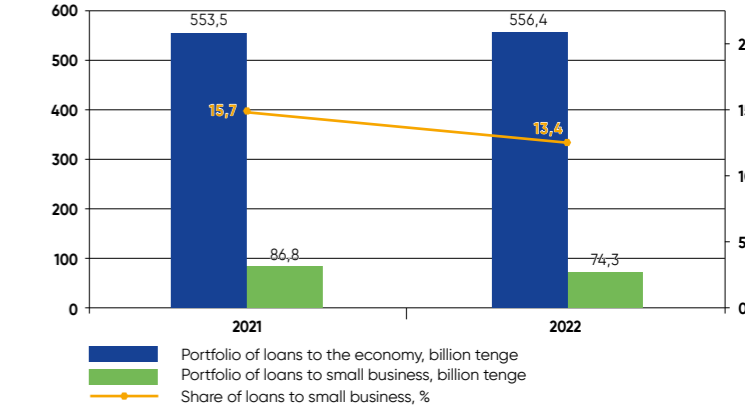
### Structure of registered SMEs by nature of business



### SME output and GRP dynamics in the Almaty region



### STB portfolio of loans to the economy and small business sector of the Almaty region



## Results of the Damu Fund programs in the Almaty region

LENDING			
	Number of projects	Amount of loans, million tenge	
2021	864	11 470	
2022	248	11 560	

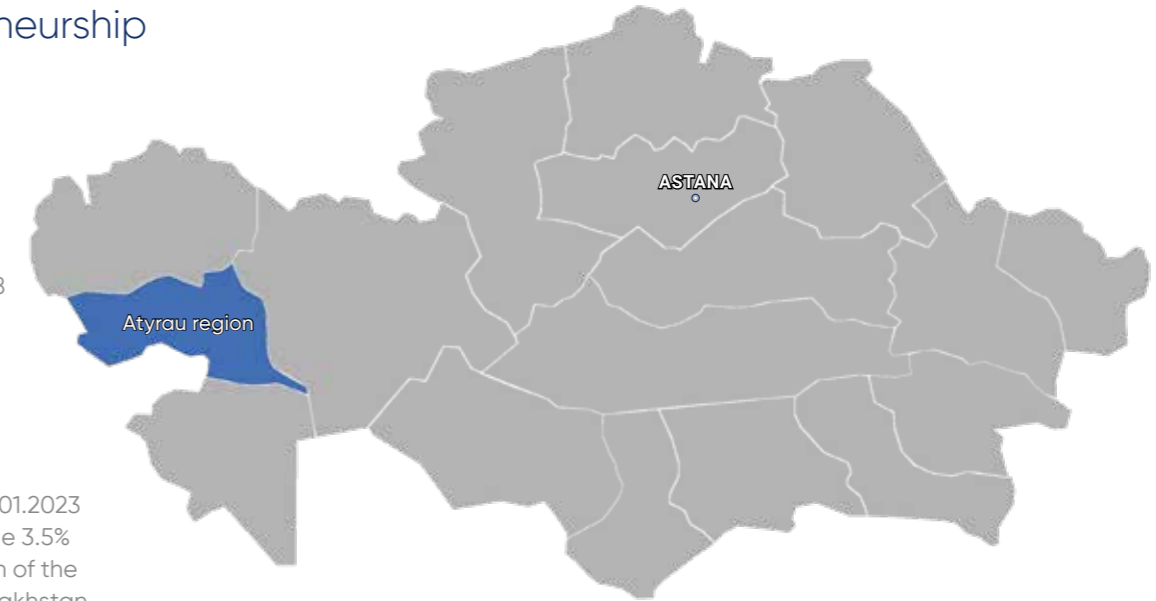
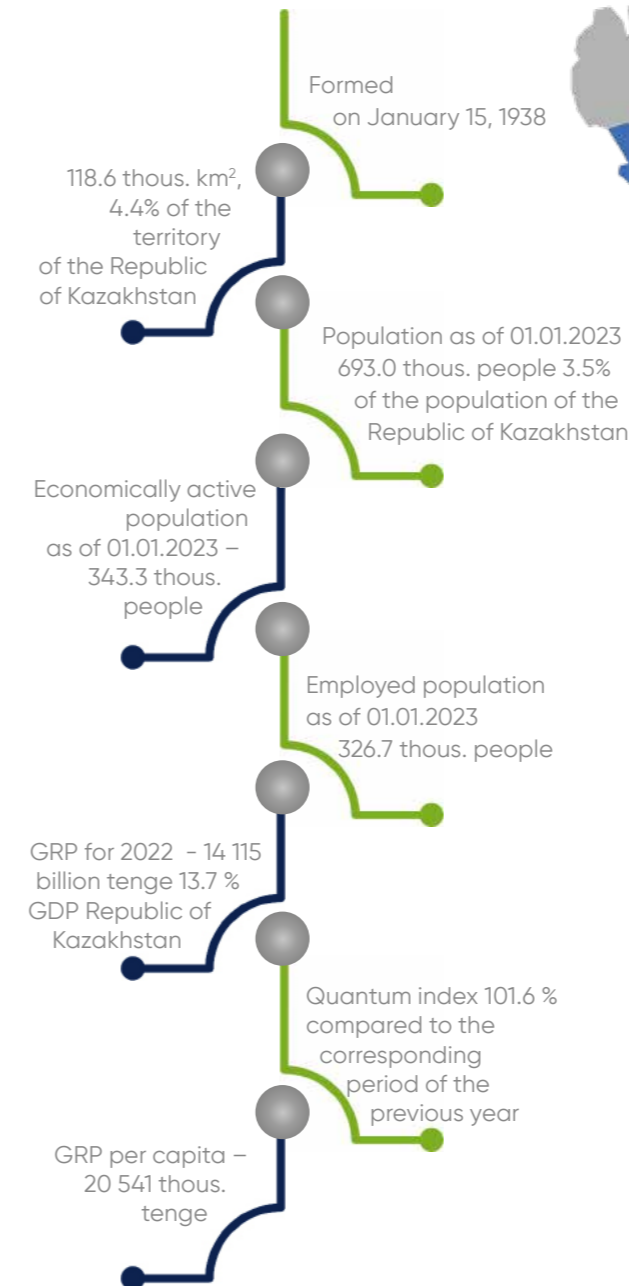
  

SUBSIDIZING			
	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	1 536	136 610	11 913
2022	782	100 024	18 763

GUARANTEE			
	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	982	19 712	9 628
2022	766	16 555	8 714

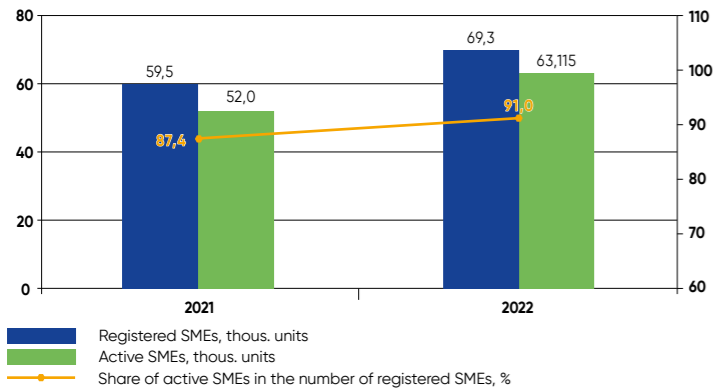
## Small and medium entrepreneurship in the Atyrau region



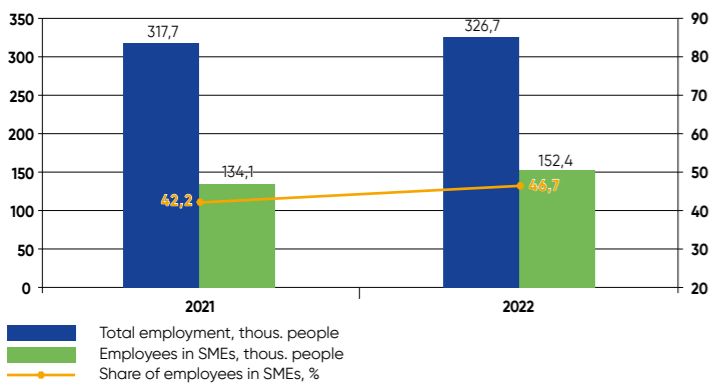
### Main changes in the SME sector of the Atyrau region for 2022:

- The number of registered SMEs increased by 16.5%; the number of active SMEs increased by 21.3%. Their share increased slightly, from 87.4% to 91.0%.
- The sectoral structure is dominated by the entities engaged in trade (34.9%), services (21.0%) and real estate transactions (6.6%).
- The number of people employed by SMEs increased by 13.7%. The share of people employed by SMEs in the total number of employed increased from 42.2% to 46.7%.
- The output of SMEs (in comparable prices) increased by 69.9%. The share of SMEs' GVA in GRP decreased from 23.5% to 22.8%.
- The CIT expenses of small enterprises increased by 186.6%. Their share in the total CIT expenses of all enterprises increased from 19.7% to 32.4%.
- The portfolio of loans to small business increased by 16.0%. Its share in the total portfolio of loans to the economy decreased from 16.0% to 15.3%.

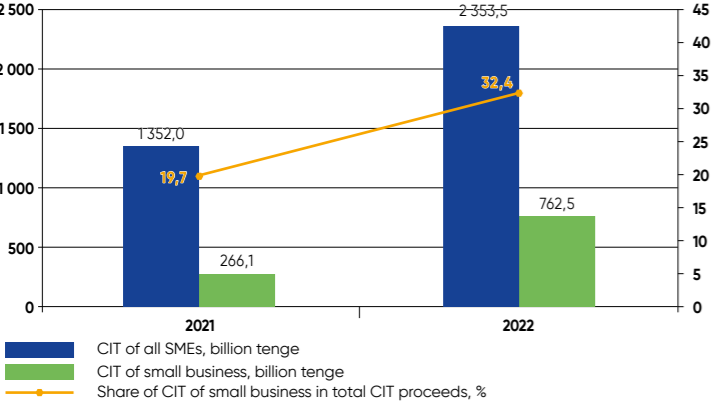
Share of Active SMEs in the Atyrau region in the total number of registered SMEs



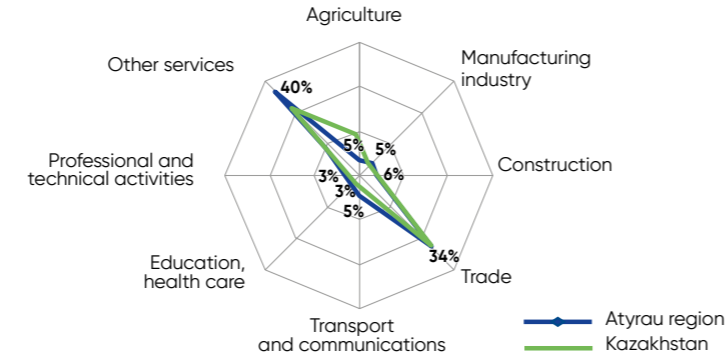
Share of Employees in SMEs in the Atyrau region in the total number of employees



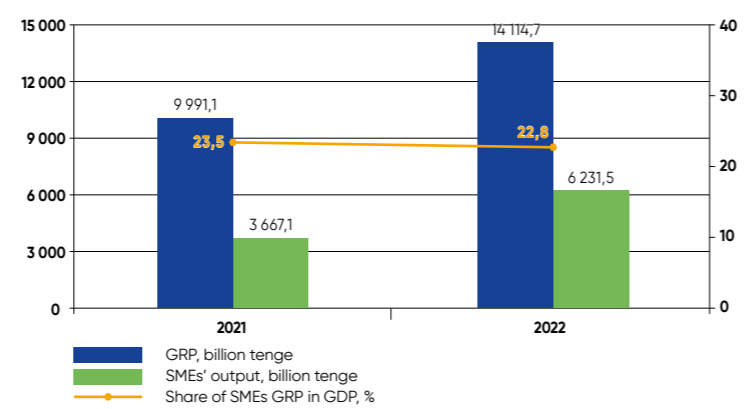
Dynamics of CIT paid by small enterprises of the Atyrau region



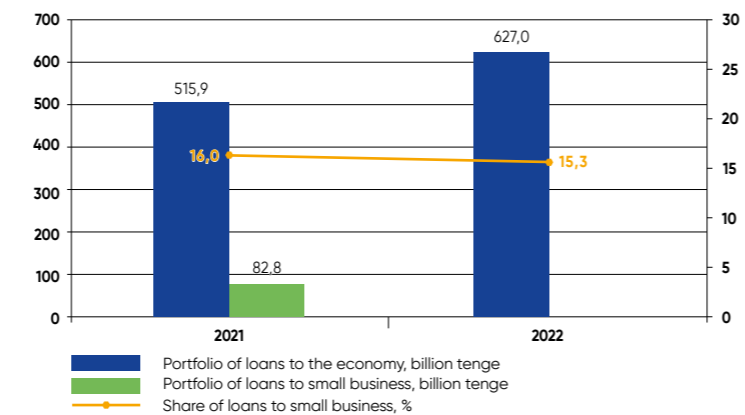
Structure of registered SMEs by nature of business



SME output and GRP dynamics in the Atyrau region



STB portfolio of loans to the economy and small business of Atyrau region



Results of the Damu Fund programs in the Atyrau region

LENDING

	Number of projects	Amount of loans, million tenge
2021	38	1 783
2022	5	864

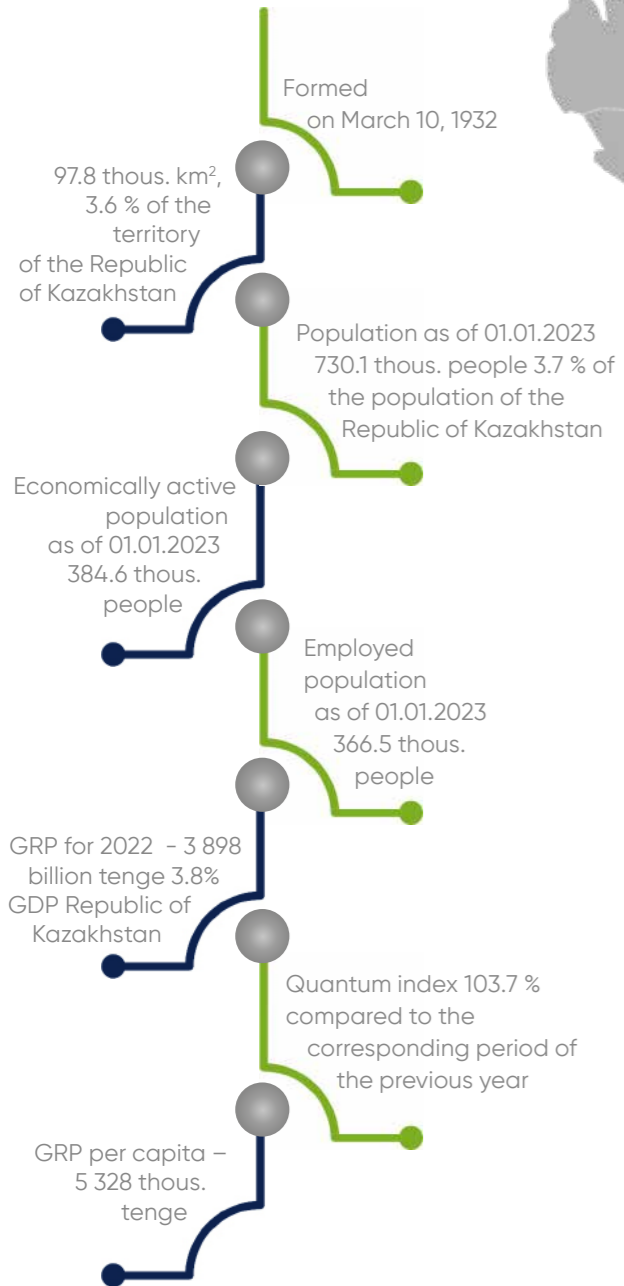
SUBSIDIZING

	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	1 724	60 590	5 082
2022	1 361	49 885	6 719

GUARANTEE

	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	772	15 860	6 980
2022	1 255	19 544	11 909

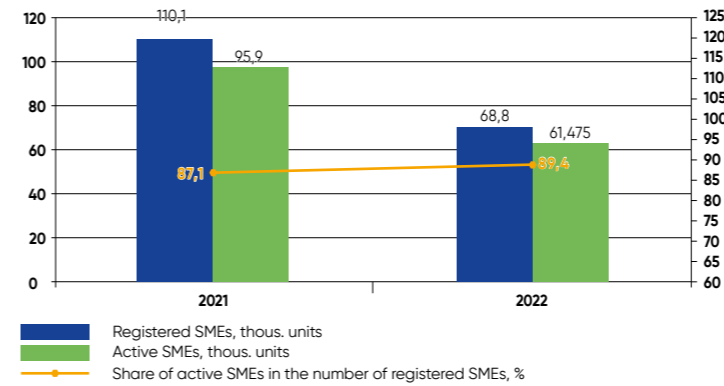
## Small and medium entrepreneurship in the East Kazakhstan region



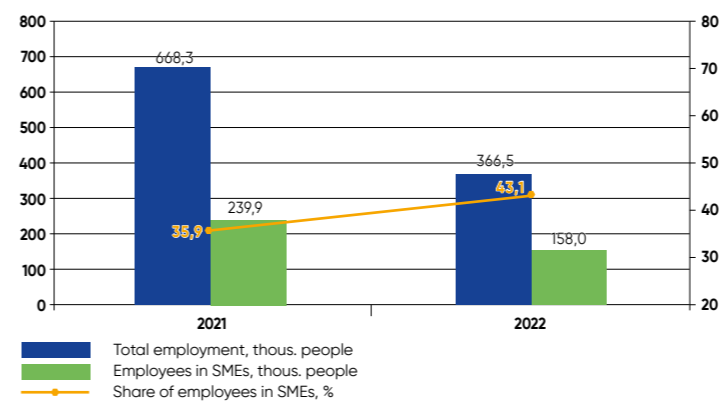
### Main changes in the SME sector of the East Kazakhstan region for 2022:

- The number of registered SMEs decreased by 37.6 %; the number of active SMEs decreased by 35.9 %. Their share increased from 87.1 % to 89.4 %.
- The sectoral structure is dominated by the entities engaged in trade (34.9%), agriculture (15.3%) and services (12.6%).
- The number of people employed in SMEs decreased by 34.2 %. The share of people employed by SMEs in the total number of employed increased from 35.9 % to 43.1%.
- The output of SMEs (in comparable prices) decreased by 17.8 %. The share of SMEs' GVA in GRP increased from 19.7 % to 22.2 %.
- The CIT expenses of small enterprises increased by 3.2%. Their share in the total CIT expenses of all enterprises decreased from 4.7 % to 7.3 %.
- The portfolio of loans to small business increased by 23.9%. Its share in the total portfolio of loans to the economy increased from 15.7 % to 16.3 %.

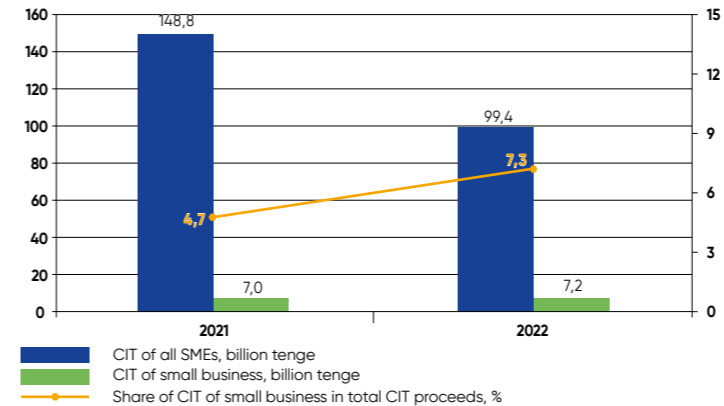
### Share of Active SMEs in the East Kazakhstan region in the total number of registered SMEs



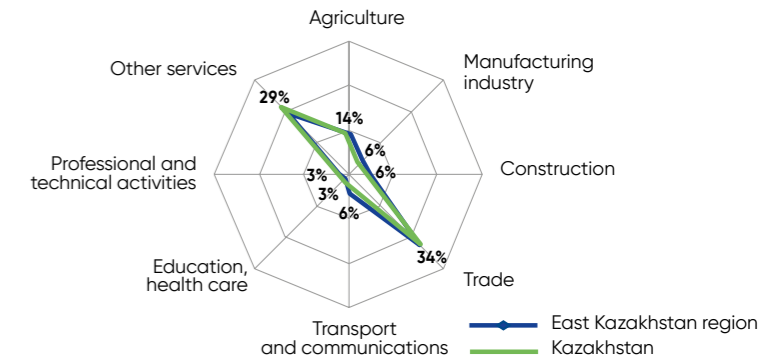
### Share of Employees in SMEs in the East Kazakhstan region in the total number of employees



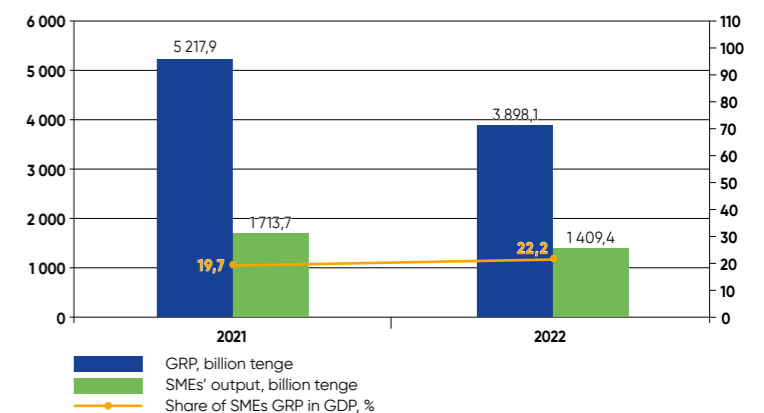
### Dynamics of CIT paid by small enterprises of the East Kazakhstan region



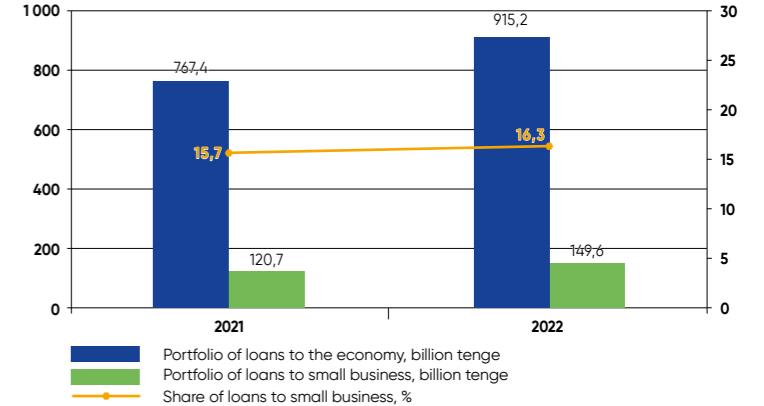
### Structure of registered SMEs by nature of business



### SME output and GRP dynamics in the East Kazakhstan region



### STB portfolio of loans to the economy and small business of the East Kazakhstan region



## Results of the Damu Fund programs in the East Kazakhstan region

LENDING			
	Number of projects	Amount of loans, million tenge	
2021	565	12 692	
2022	289	6 270	

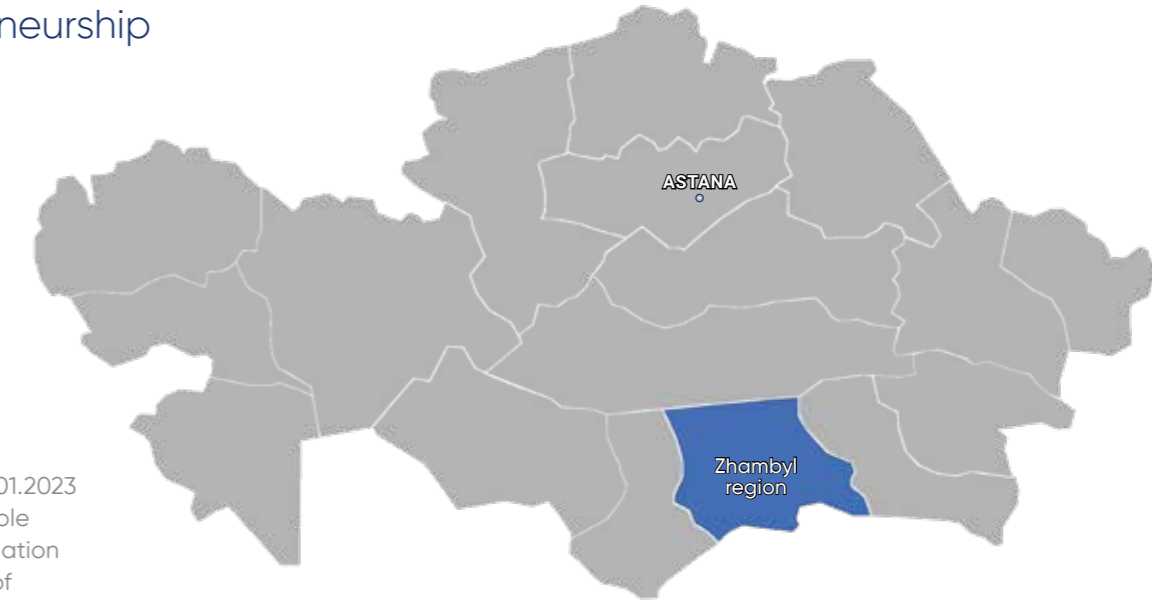
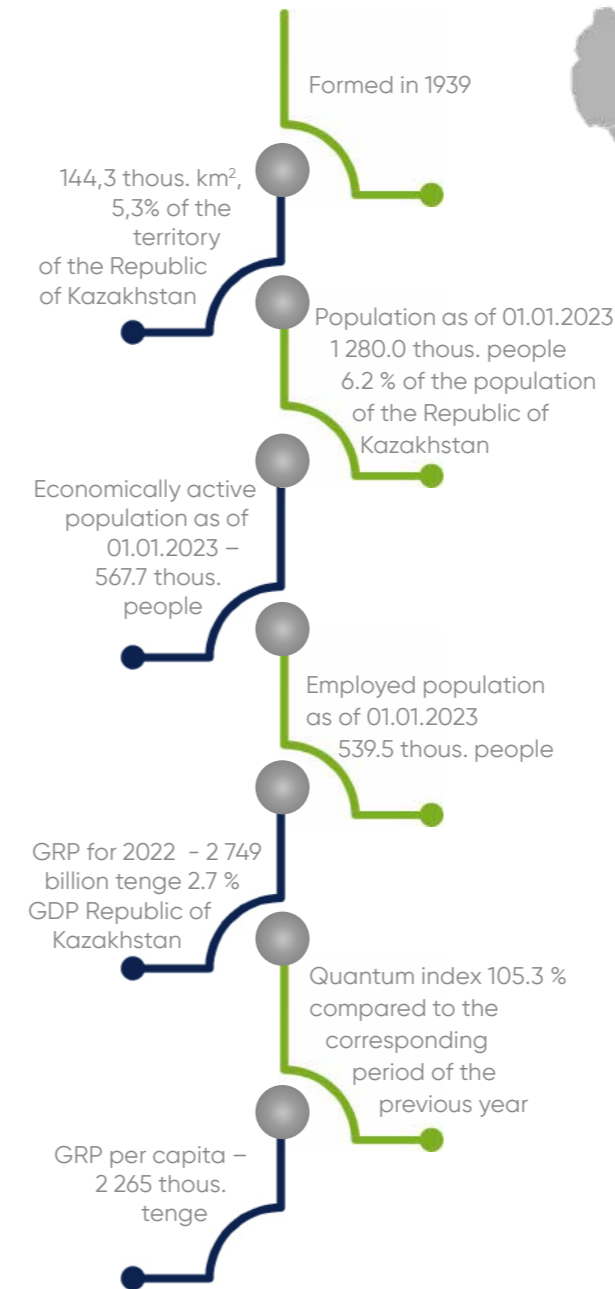
  

SUBSIDIZING			
	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	2 764	111 164	5 710
2022	980	33 897	8 136

GUARANTEE			
	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	847	17 225	8 533
2022	1 004	21 115	11 156

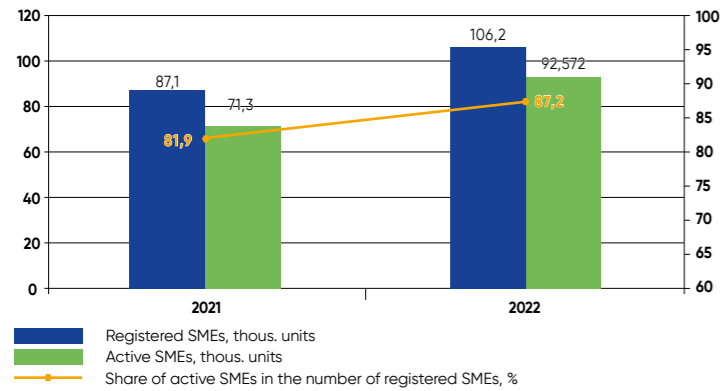
## Small and medium entrepreneurship in the Zhambyl region



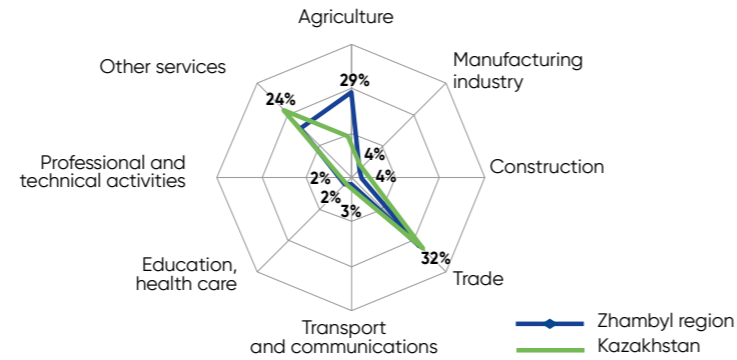
### Main changes in the SME sector of the Zhambyl region for 2022:

- The number of registered SMEs increased by 21.9%; the number of active SMEs increased by 29.8%. Their share increased from 81.9% to 87.2%.
- The sectoral structure is dominated by trade (32.5%), agriculture (30.8%) and services (13.5%).
- The number of the population employed in SMEs increased by 22.6%. The share of people employed by SMEs in the total number of employed increased from 24.7% to 28.2%.
- The output of SMEs (in comparable prices) increased by 37.8%. The share of SMEs' GVA in GRP decreased from 21.5% to 24.0%.
- The CIT expenses of small enterprises decreased by 68.3%. Their share in the total CIT expenses of all enterprises increased from 10.2% to 11.6%.
- The portfolio of loans to small business increased by 26.5%. Its share in the total portfolio of loans to the economy decreased from 17.0% to 16.7%.

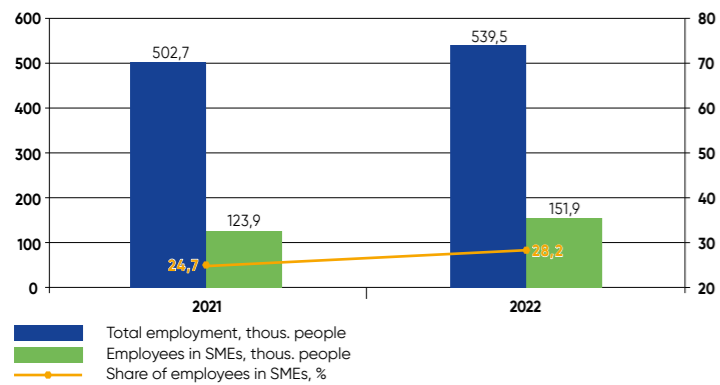
Share of Active SMEs in the Zhambyl region in the total number of registered SMEs



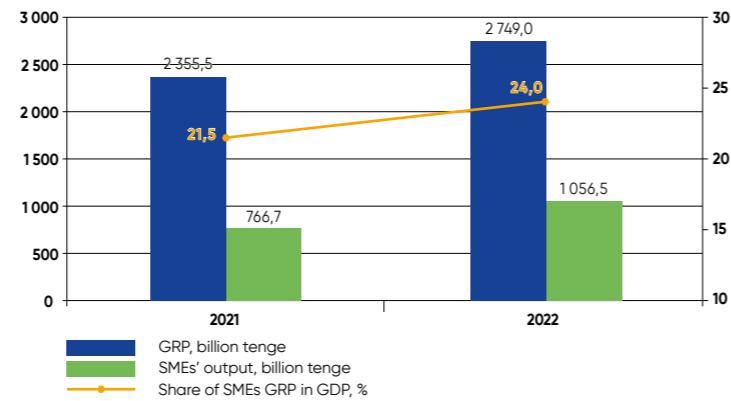
Structure of registered SMEs by nature of business



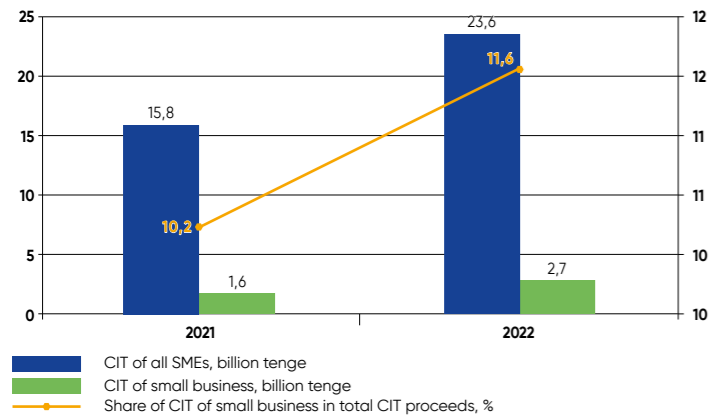
Share of Employees in SMEs in the Zhambyl region in the total number of employees



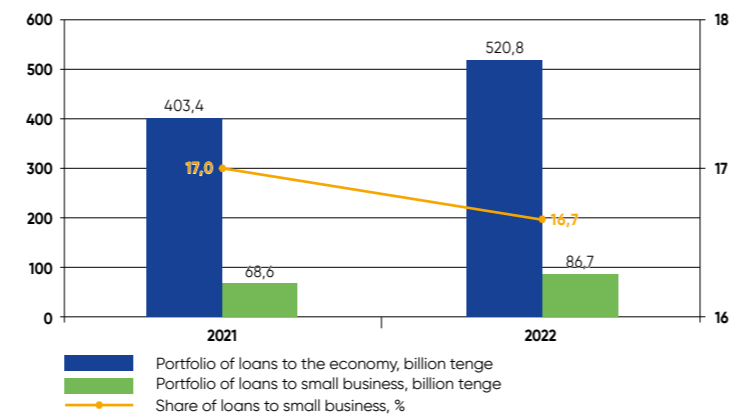
SME output and GRP dynamics in the Zhambyl region



Dynamics of CIT paid by small enterprises of the Zhambyl region



STB portfolio of loans to the economy and small business of the Zhambyl region



## Results of the Damu Fund programs in the Zhambyl region

### LENDING

	Number of projects	Amount of loans, million tenge
2021	709	8 102
2022	458	6 591

### SUBSIDIZING

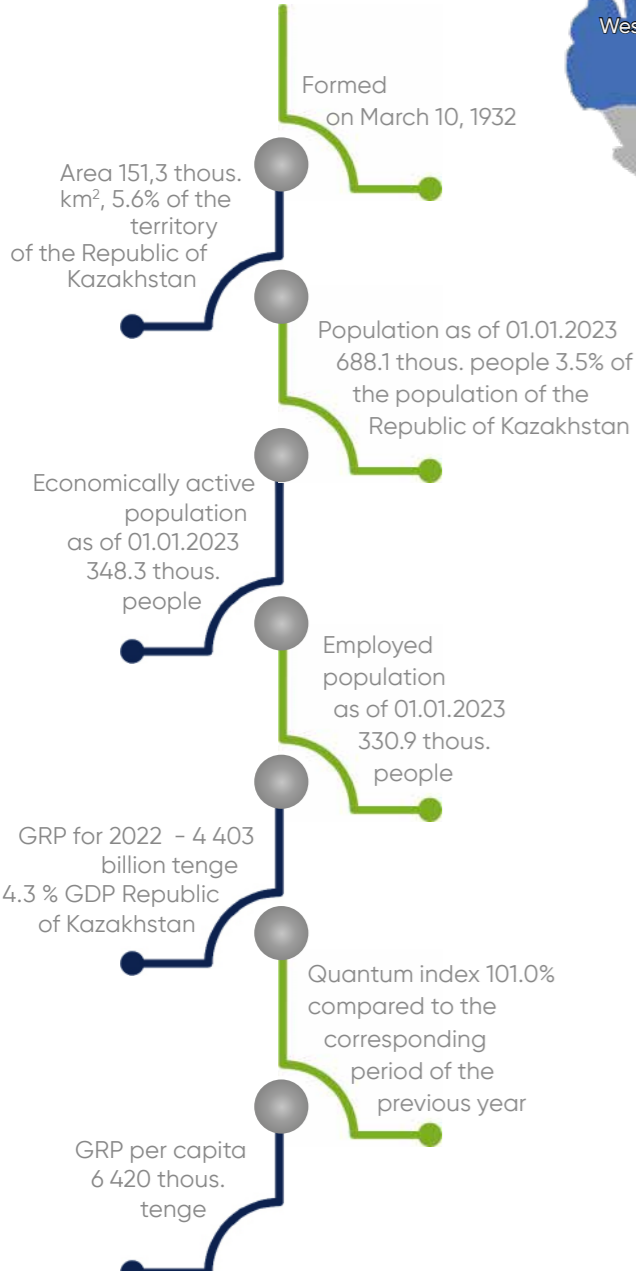
	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	1 644	40 253	5 343
2022	2 132	40 780	8 143

### GUARANTEE

	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	1 152	15 936	8 444
2022	2 001	21 869	13 950



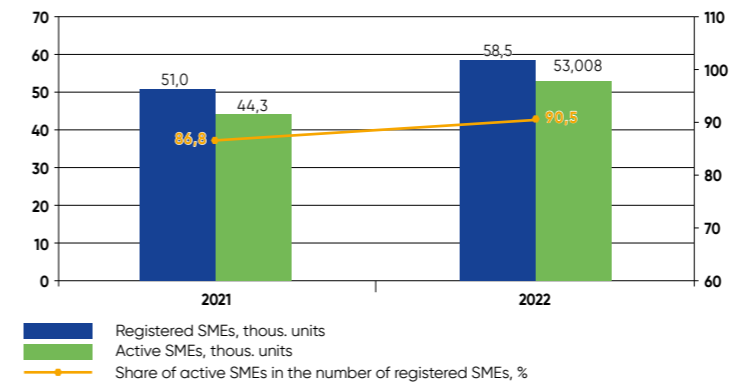
## Small and medium entrepreneurship in West Kazakhstan region



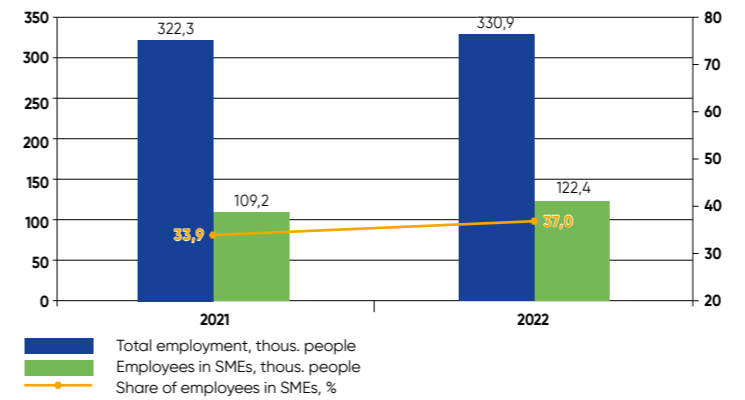
### Main changes in the SME sector of the West Kazakhstan region for 2022:

- The number of registered SMEs increased by 14.8%, the number of active SMEs increased by 19.8%. Their share increased from 86.8% to 90.5%.
- The sectoral structure is dominated by the entities engaged in trade (38.4%), agriculture (18.1%) and services (91%).
- The number of the population employed in SMEs increased by 12.1%. The share of people employed in SMEs in the total number of employed increased from 33.9% to 37.0%.
- The output of SMEs (in comparable prices) increased by 34.9%. The share of SMEs' GVA in GRP increased from 32.7% to 33.1%.
- The CIT expenses of small enterprises increased by 32.2%. Their share in the total CIT expenses of all enterprises decreased from 91.3% to 80.5%.
- The portfolio of loans to small business increased by 19.7%. Its share in the total portfolio of loans to the economy decreased from 18.2% to 17.8%.

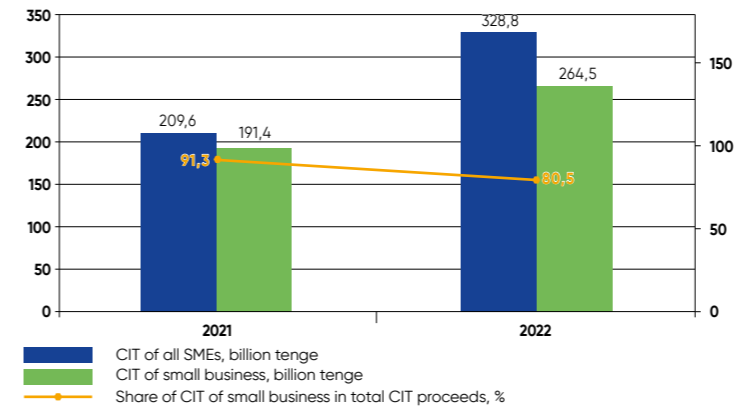
### Share of Active SMEs in the West Kazakhstan region in the total number of registered SMEs



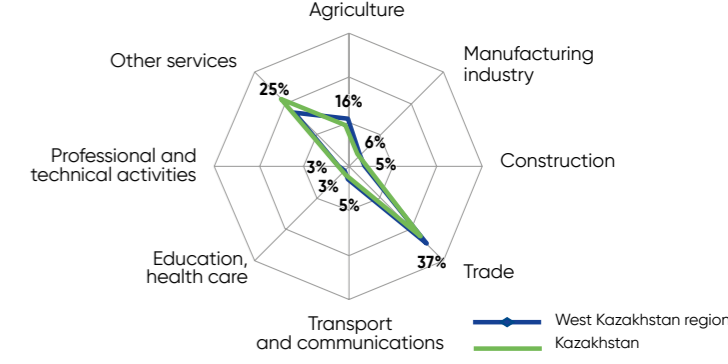
### Share of Employees in SMEs in the West Kazakhstan region in the total number of employees



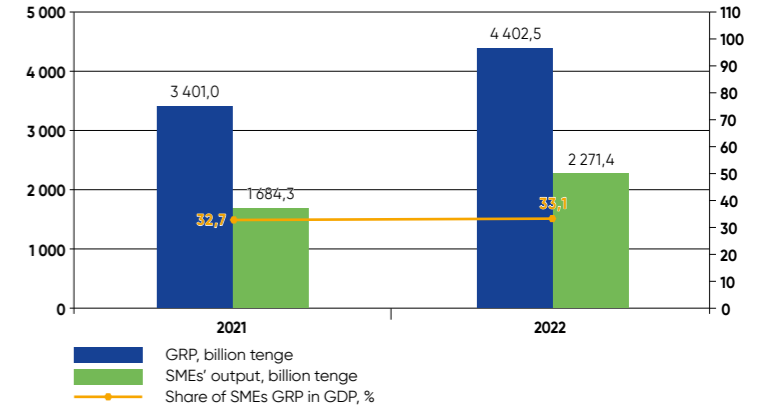
### Dynamics of CIT paid by small enterprises of the West Kazakhstan region



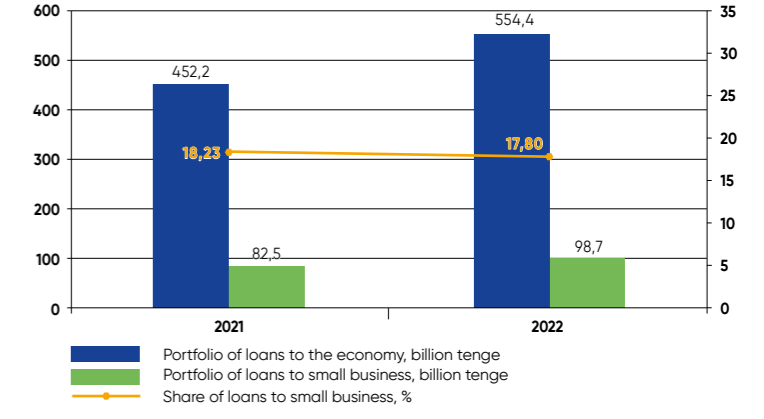
### Structure of registered SMEs by nature of business



### SME output and GRP dynamics in the West Kazakhstan region



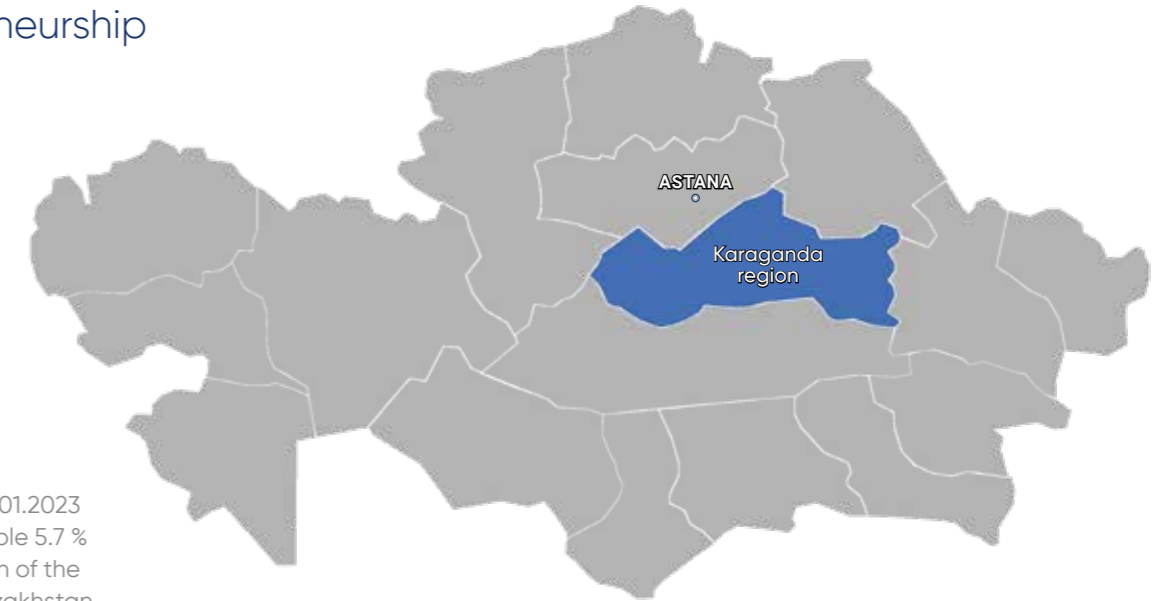
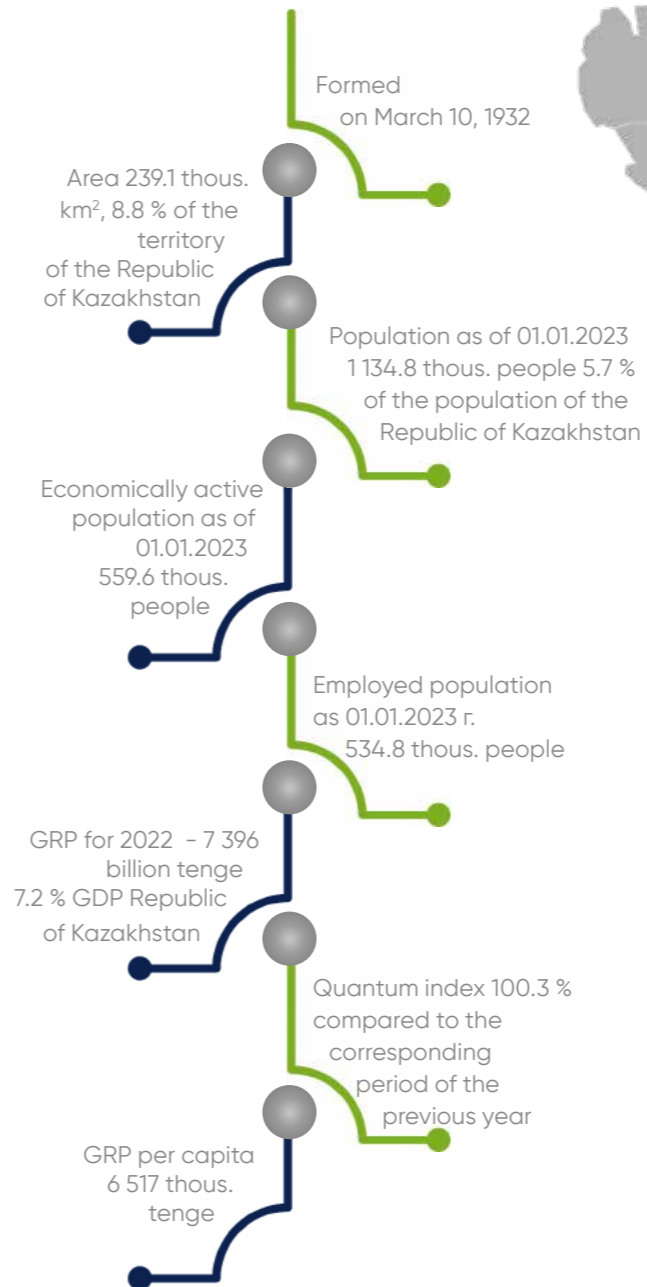
### STB portfolio of loans to the economy and small business of the West Kazakhstan region



## Results of the Damu Fund programs in West Kazakhstan region

LENDING			
	Number of projects	Amount of loans, million tenge	
2021	156	4 901	
2022	64	4 487	
SUBSIDIZING			
	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	2 097	85 704	3 507
2022	1 315	39 665	5 466
GUARANTEE			
	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	702	12 139	5 669
2022	1 186	16 995	9 587

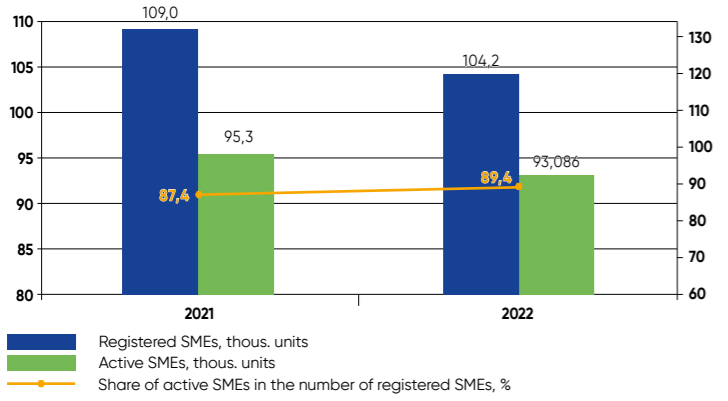
## Small and medium entrepreneurship in Karaganda region



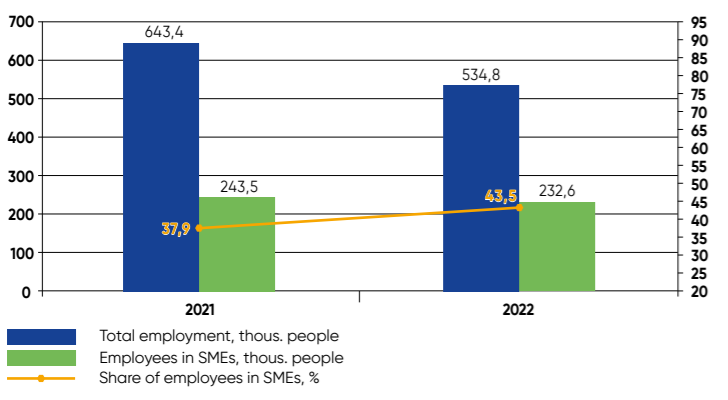
### Main changes in the SME sector of the Karaganda region for 2022:

- The number of registered SMEs decreased by 4.4%; the number of active SMEs decreased by 2.3%. Their share increased from 87.4% to 89.4%.
- The sectoral structure is dominated by the entities engaged in trade (39.3%), services (13.4%) and agriculture (10.5%).
- The number of the population employed by SMEs decreased by 4.5%. The share of people employed by SMEs in the total number of employed increased from 37.9% to 43.5%.
- The output of SMEs (in comparable prices) increased by 16.5%. The share of SMEs' GVA in GRP increased from 15.5% to 19.4%.
- The CIT expenses of small enterprises increased by 3.3%. Their share in the total CIT expenses of all enterprises increased from 8.7% to 14.6%.
- The portfolio of loans to small business increased by 23.2%. Its share in the total portfolio of loans to the economy decreased from 13.2% to 12.3%.

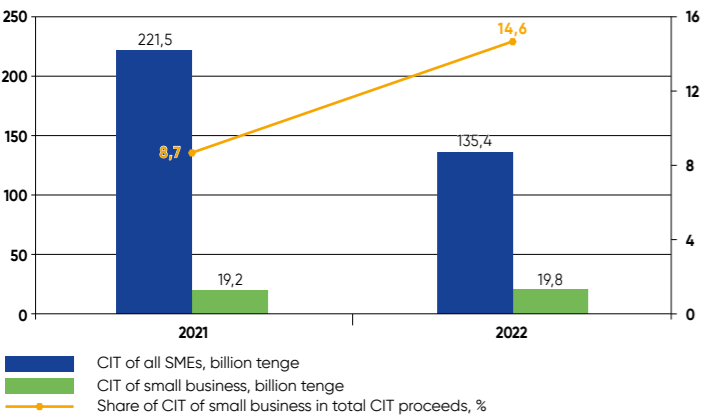
### Share of active SMEs Karaganda region in the total number of registered SMEs



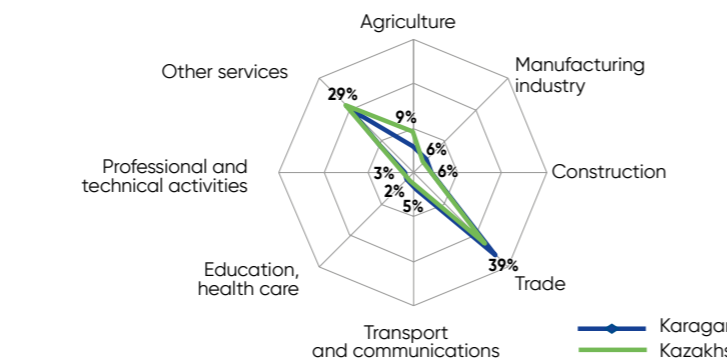
### Share of employed in SMEs Karaganda region in the total number of employed



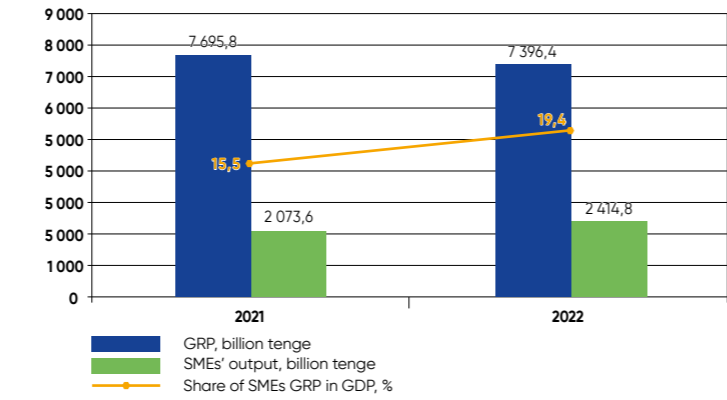
### Dynamics of CIT paid by small enterprises of Karaganda region



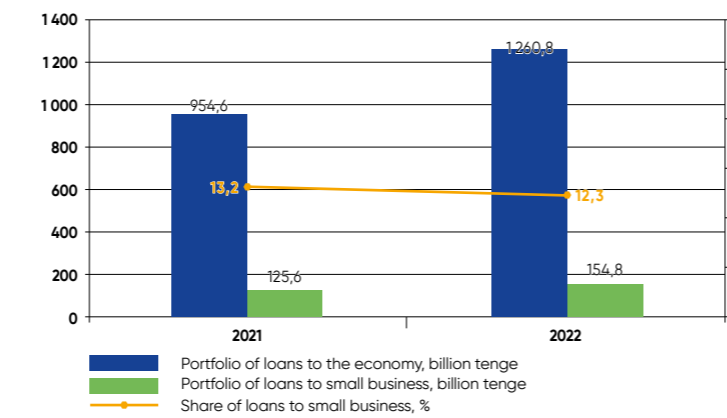
### Structure of registered SMEs by nature of business



### SME output and GRP dynamics in Karaganda region



### STB portfolio of loans to the economy and small business of Karaganda region



## Results of the Damu Fund programs in the Karaganda region

### LENDING

	Number of projects	Amount of loans, million tenge
2021	393	15 161
2022	238	15 056

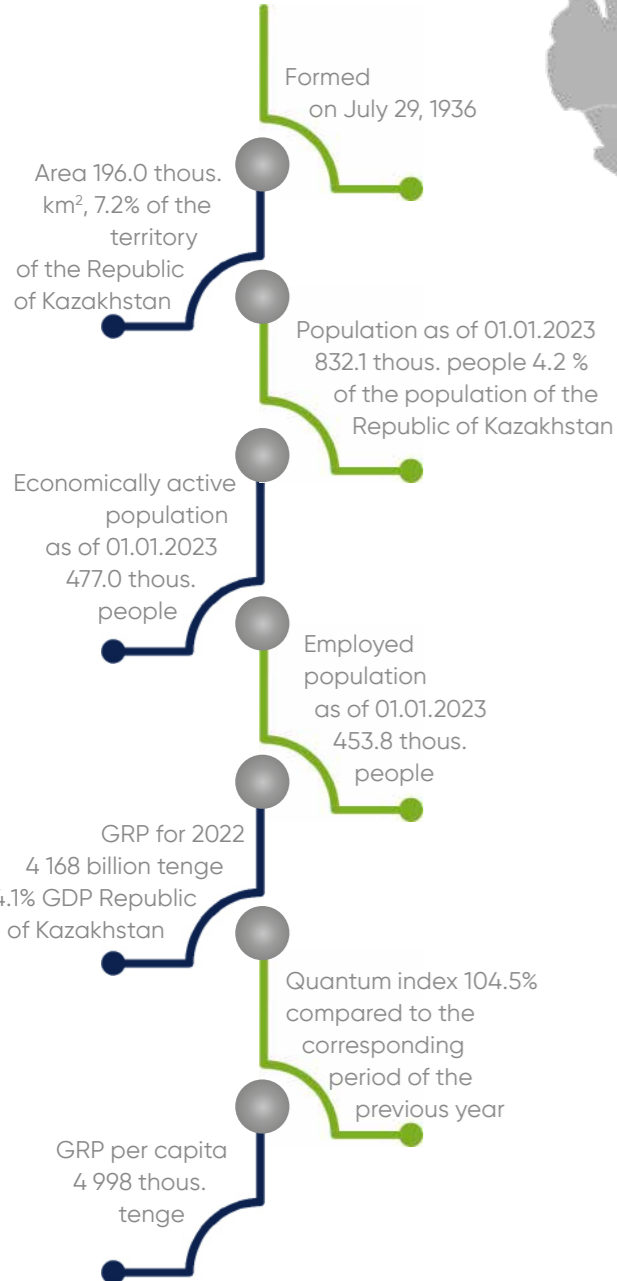
### SUBSIDIZING

	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	20 248	121 991	7 509
2022	1 077	42 039	10 588

### GUARANTEE

	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	1 053	18 283	9 243
2022	910	18 443	10 162

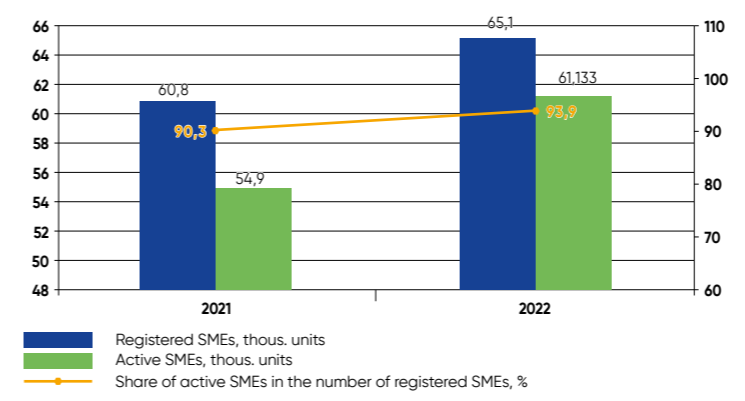
## Small and medium entrepreneurship in the Kostanay region



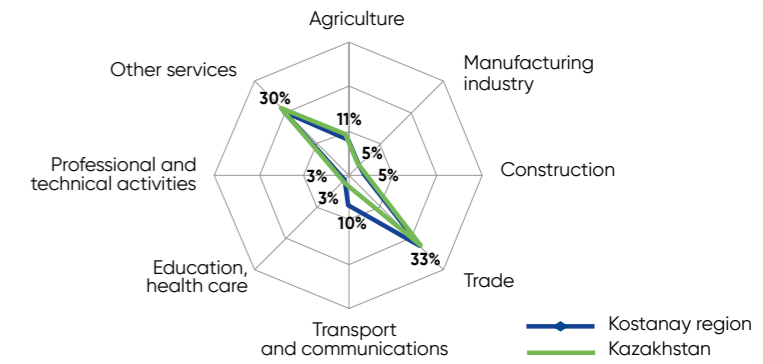
### Main changes in the SME sector Kostanay region for 2022:

- The number of registered SMEs increased by 7.2%, the number of active SMEs increased 11.4%. Their share increased from 90.3% to 93.9%
- The sectoral structure is dominated by the entities engaged in trade (35.0%), services (14.9%) and agricultural industry (12.6%).
- The number of the population employed by SMEs increased by 4.2%. The share of people employed by SMEs in the total number of employed increased from 33.6% to 36.6%.
- The output of SMEs (in comparable prices) increased by 44.7%. The share of SMEs' GVA in GRP increased from 27.2% to 33.0%.
- The CIT expenses of small enterprises decreased by 52.0%. Their share in the total CIT expenses of all enterprises decreased from 10.4% to 6.1%.
- The portfolio of loans to small business increased by 22.9%. Its share in the total portfolio of loans to the economy increased from 14.3% to 14.8%.

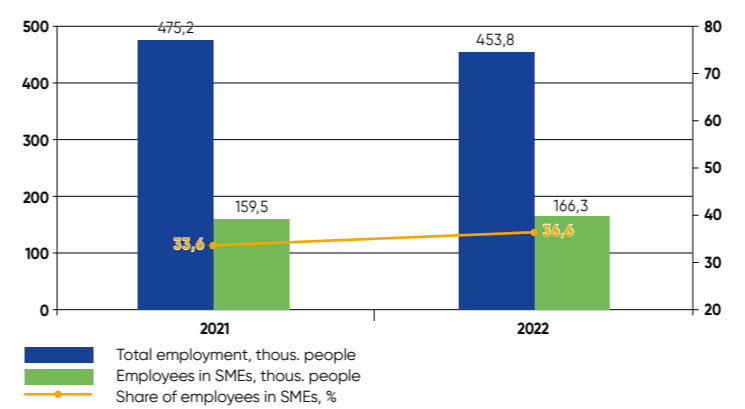
### Share of active SMEs Kostanay region in the total number of registered SMEs



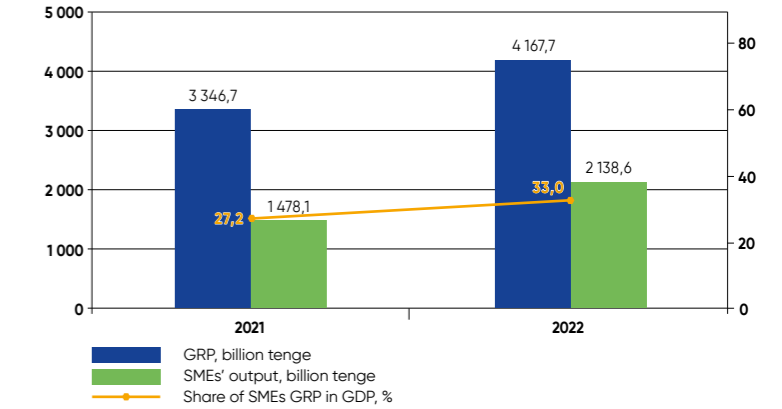
### Structure of registered SMEs by nature of business



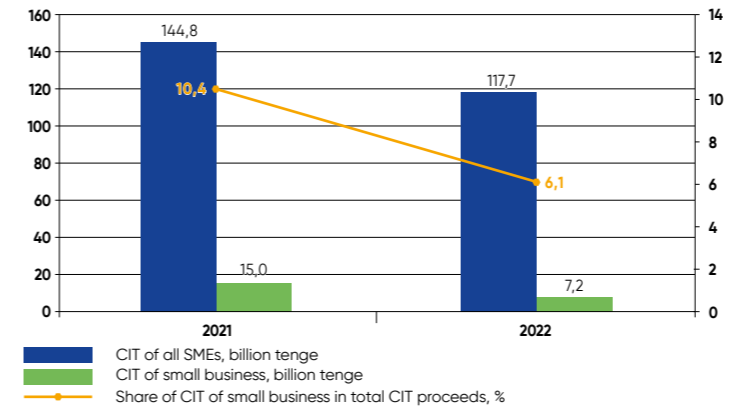
### Share of employed in SMEs Kostanay region in the total number of employed



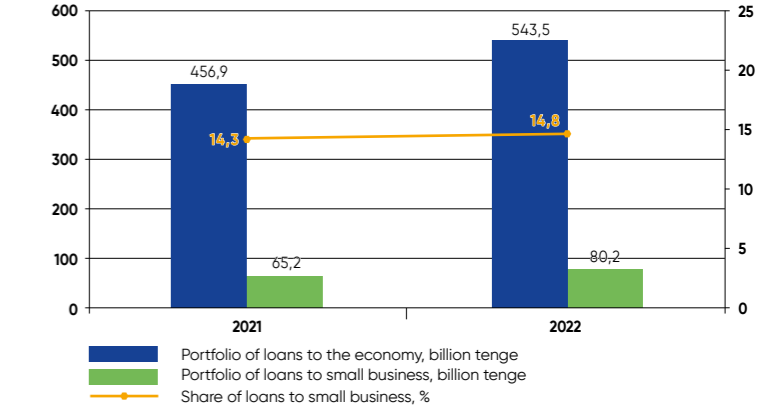
### SME output and GRP dynamics in Kostanay region



### Dynamics of CIT paid by small enterprises of Kostanay region



### STB portfolio of loans to the economy and small business of Kostanay region



## Results of the Damu Fund programs in the Kostanay region

LENDING			
	Number of projects	Amount of loans, million tenge	
2021	295	15 411	
2022	187	17 579	

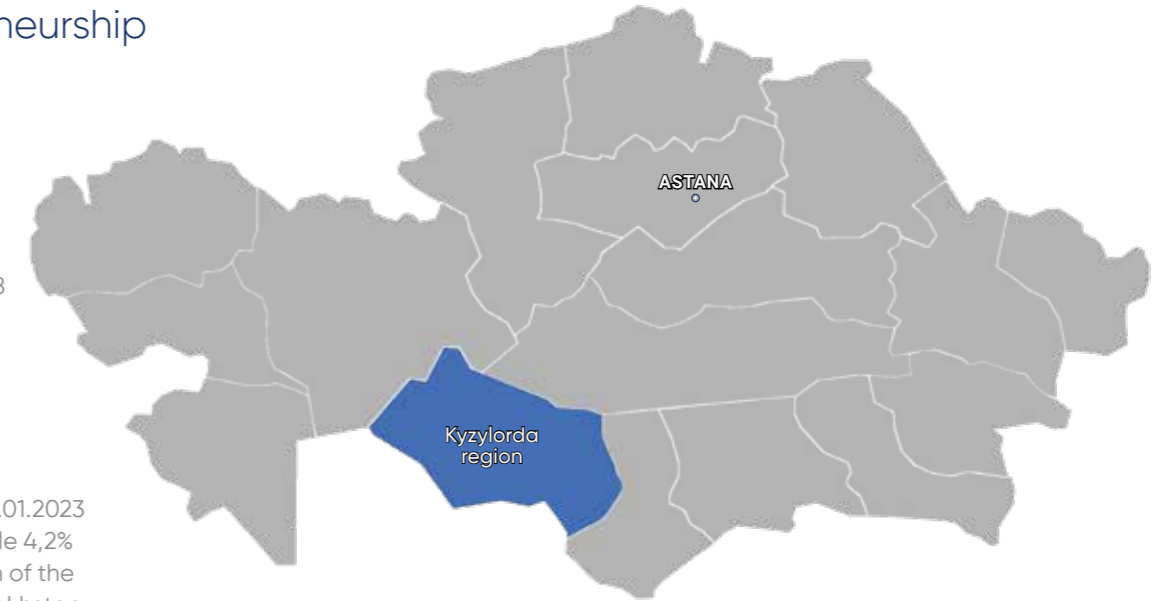
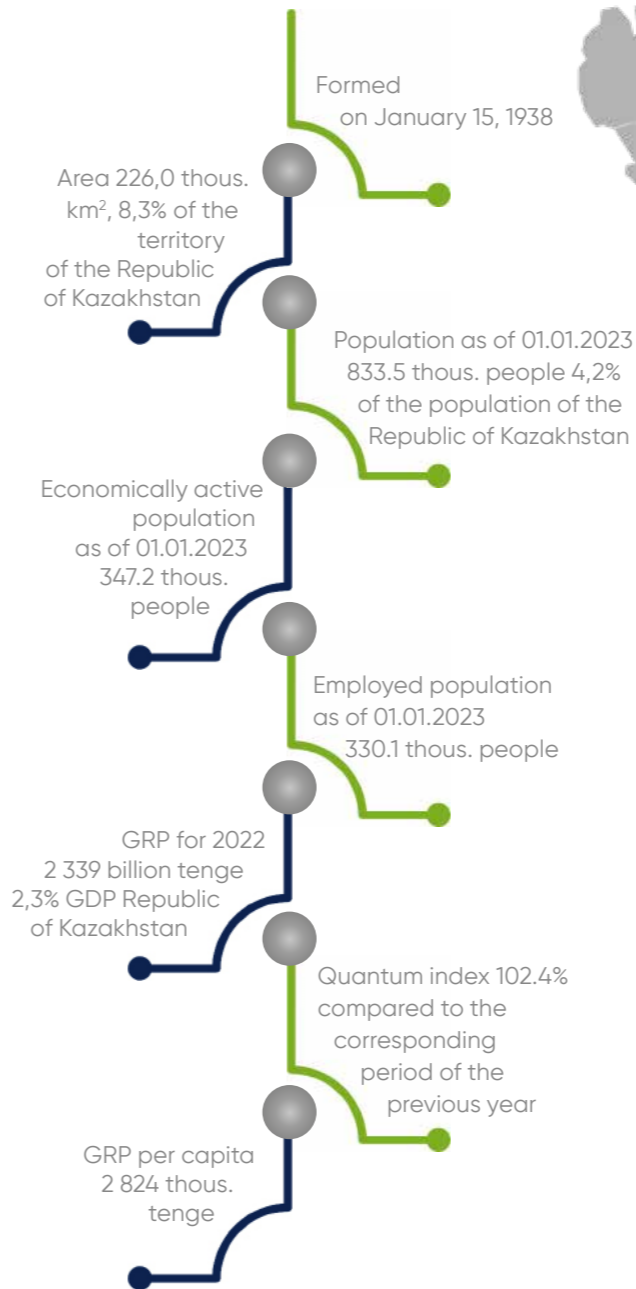
  

SUBSIDIZING			
	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	1105	58 581	4 321
2022	966	25 410	6 432

GUARANTEE			
	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	751	13 850	6 678
2022	801	17 380	9 311

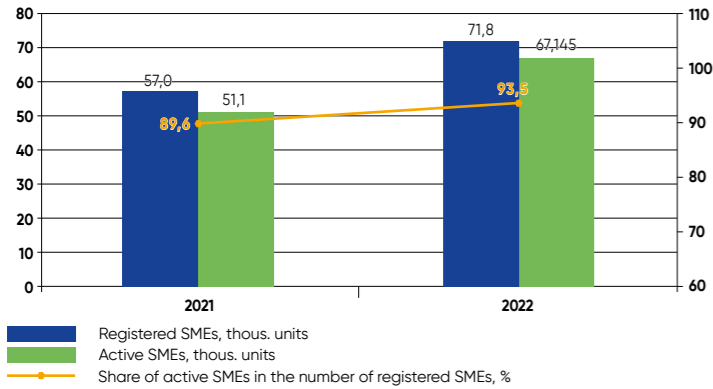
## Small and medium entrepreneurship in the Kyzylorda region



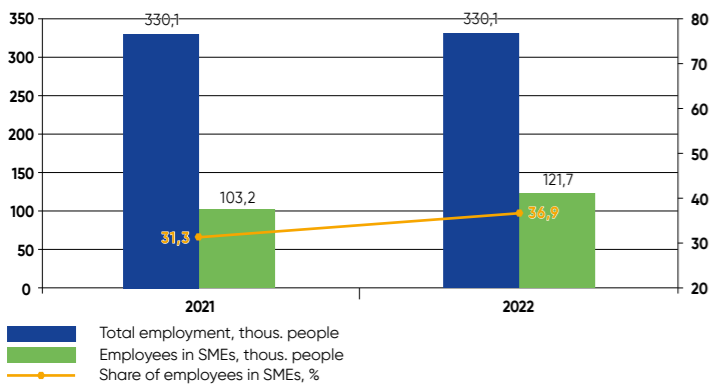
### Main changes in the SME sector Kyzylorda region for 2022:

- The number of registered SMEs increased by 26.1%; the number of active SMEs increased by 31.5%. Their share increased from 89.6% to 93.5%.
- The sectoral structure is dominated by the entities engaged in trade (32.5%), agriculture (21.3%) and services (16.8%).
- The number of the population employed by SMEs increased by 18.0%. The share of people employed by SMEs in the total number of people employed increased from 31.3% to 36.9%.
- The output of SMEs (in comparable prices) increased by 40.3%. The share of SMEs' GVA in GRP increased from 16.3% to 18.1%.
- The CIT expenses of small enterprises increased by 161.9%. Their share in the total CIT expenses of all enterprises decreased from 26.3% to 15.2%.
- The portfolio of loans to small business increased by 30.3%. Its share in the total portfolio of loans to the economy increased from 14.1% to 15.6%.

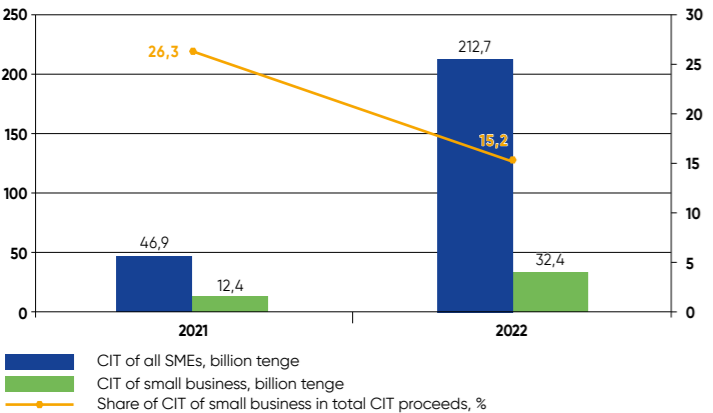
Share of active SMEs Kyzylorda region in the total number of registered SMEs



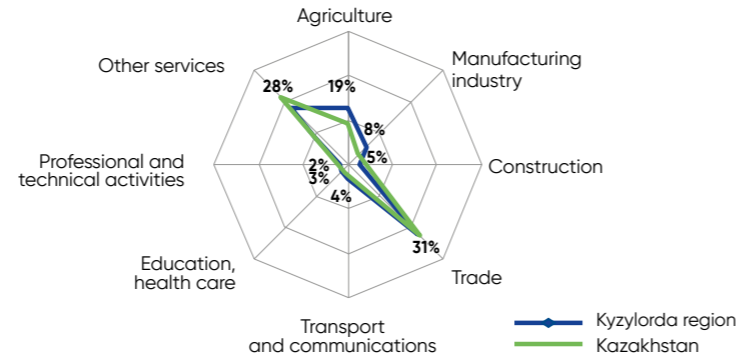
Share of employed in SMEs Kyzylorda region in the total number of employed



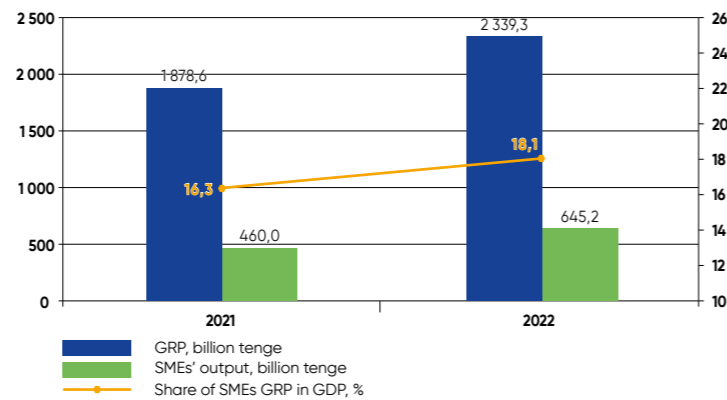
Dynamics of CIT paid by small enterprises of Kyzylorda region



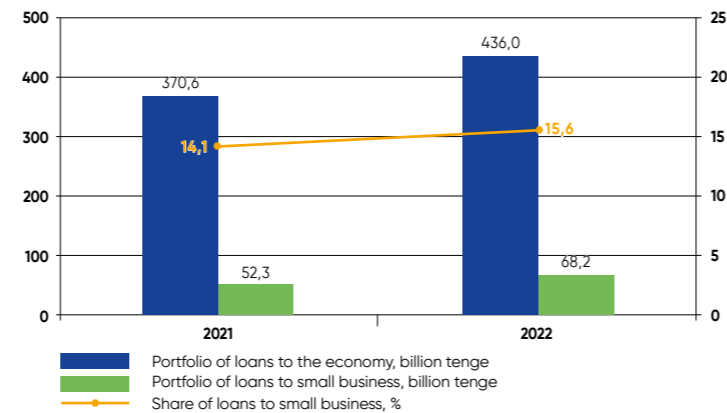
Structure of registered SMEs by nature of business



SME output and GRP dynamics in Kyzylorda region



STB portfolio of loans to the economy and small business of Kyzylorda region



## Results of the Damu Fund programs in the Kyzylorda region

### LENDING

	Number of projects	Amount of loans, million tenge
2021	457	3 394
2022	280	3 376

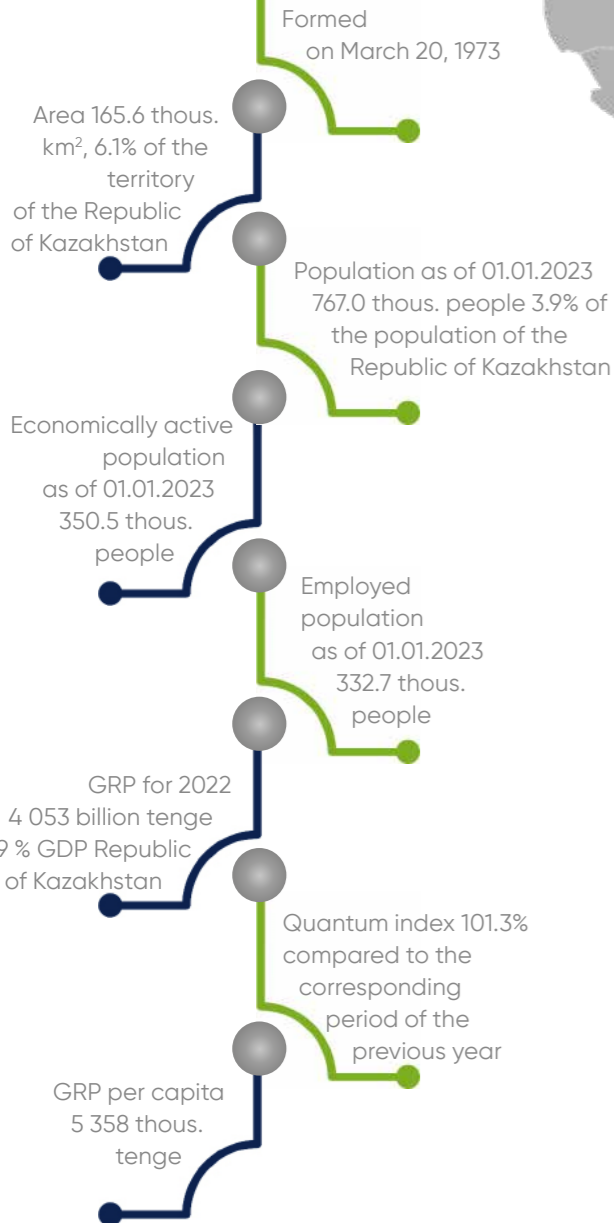
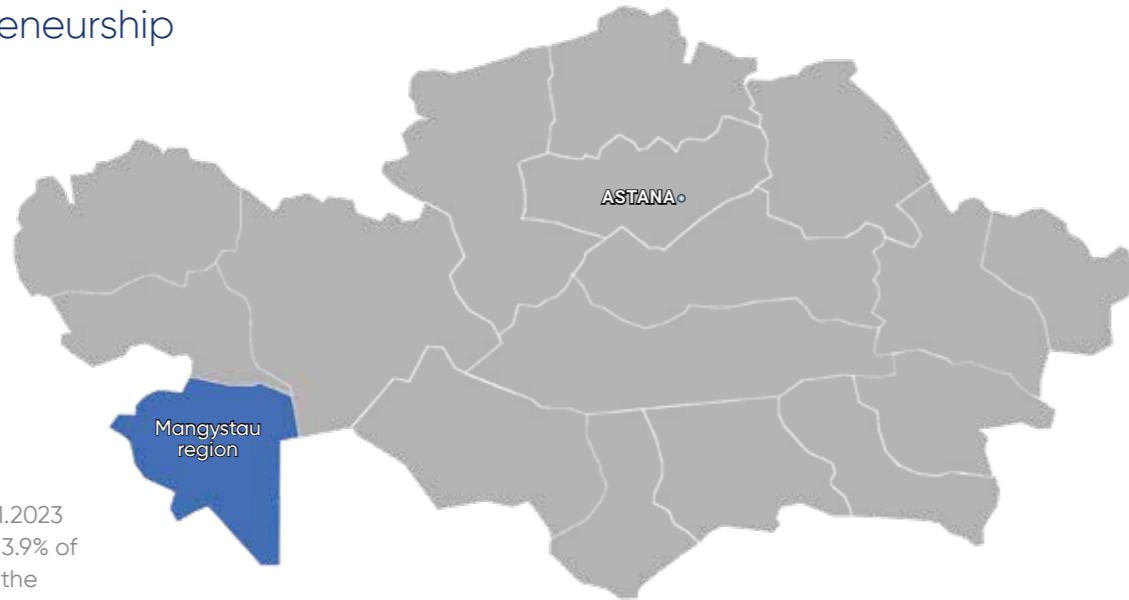
### SUBSIDIZING

	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	2 057	36 611	2 903
2022	1 614	26 903	3 786

### GUARANTEE

	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	1 095	14 434	6 820
2022	1 478	18 579	10 741

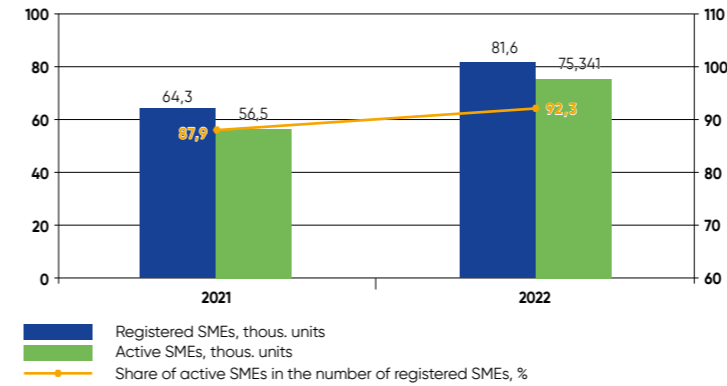
## Small and medium entrepreneurship in the Mangystau region



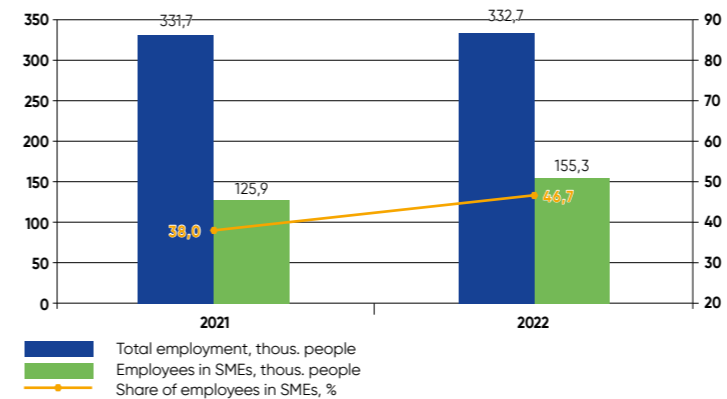
### Main changes in the SME sector Mangystau region for 2022:

- The number of registered SMEs increased by 26.9%; the number of active SMEs increased by 33.3%. Their share increased from 87.9% to 92.3%.
- The sectoral structure is dominated by the entities engaged in trade (33.0%), services (26.9%) and manufacturing industry (5.8%).
- The number of the population employed in SMEs increased by 23.4%. The share of people employed by SMEs in the total number of employed increased from 38.0% to 46.7%.
- The output of SMEs (in comparable prices) increased by 14.2%. The share of SMEs' GVA in GRP increased from 31.6% to 30.0%
- The CIT expenses of small enterprises decreased by 30.0%. Their share in the total CIT expenses of all enterprises decreased from 39.5% to 37.5%.
- The portfolio of loans to small business increased by 23.0%. Its share in the total portfolio of loans to the economy decreased from 17.0% to 16.8%.

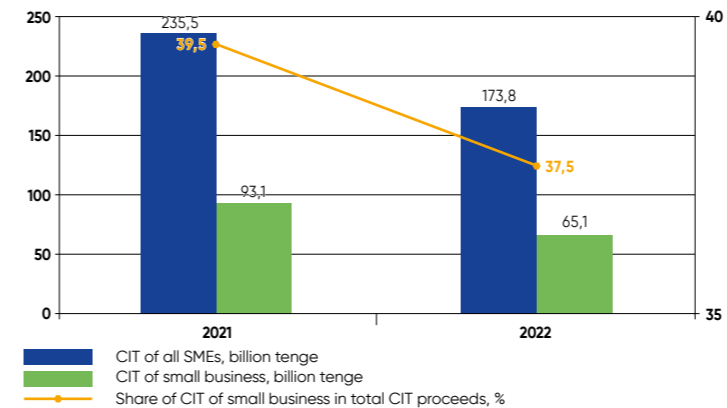
### Share of active SMEs Mangystau region in the total number of registered SMEs



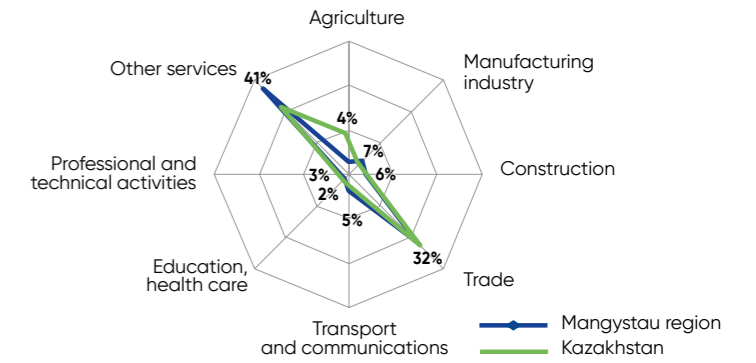
### Share of employed in SMEs Mangystau region in the total number of employed



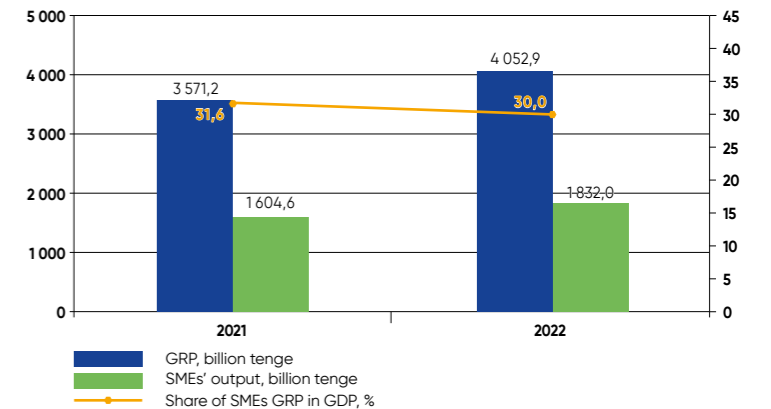
### Dynamics of CIT paid by small enterprises of Mangystau region



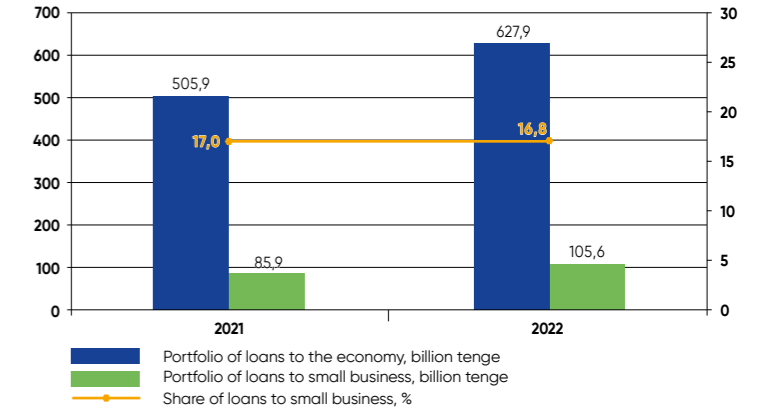
### Structure of registered SMEs by nature of business



### SME output and GRP dynamics in Mangystau region



### STB portfolio of loans to the economy and small business of Mangystau region



## Results of the Damu Fund programs in the Mangystau region

LENDING			
	Number of projects	Amount of loans, million tenge	
2021	41	3 130	
2022	23	3 495	

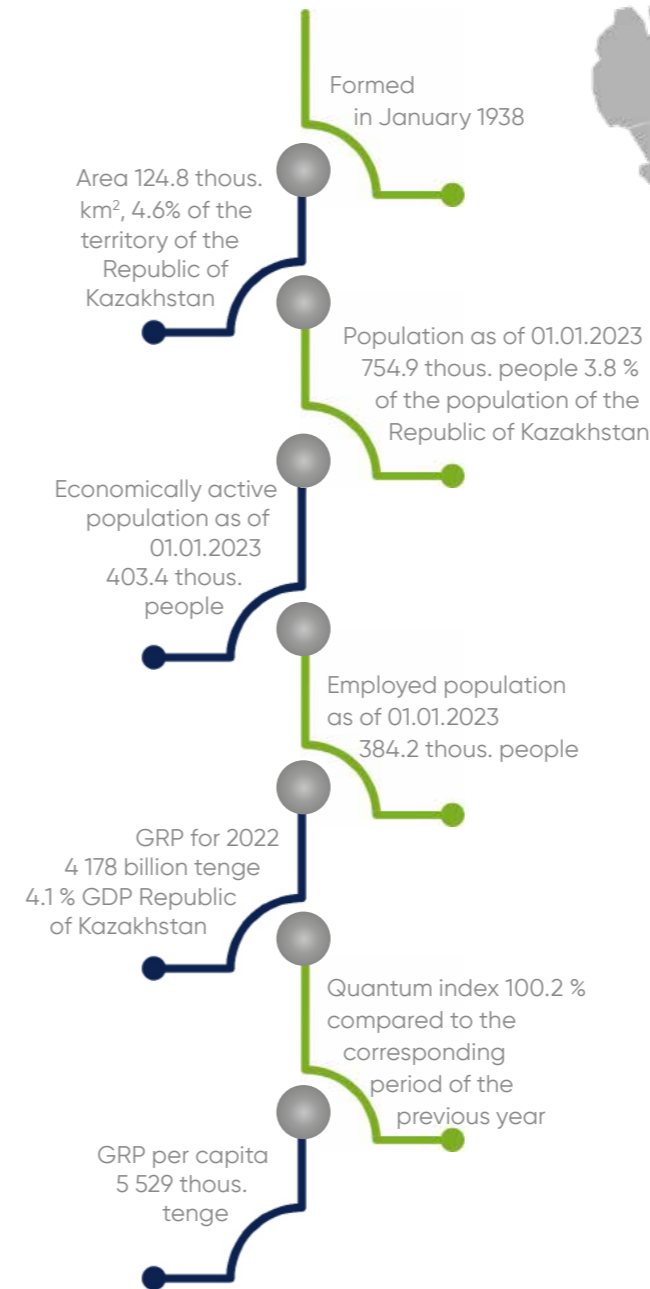
  

SUBSIDIZING			
	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	2 074	88 210	6 789
2022	1 595	40 702	10 111

GUARANTEE			
	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	872	16 245	8 967
2022	1 522	21 668	13 227

## Small and medium entrepreneurship in the Pavlodar region

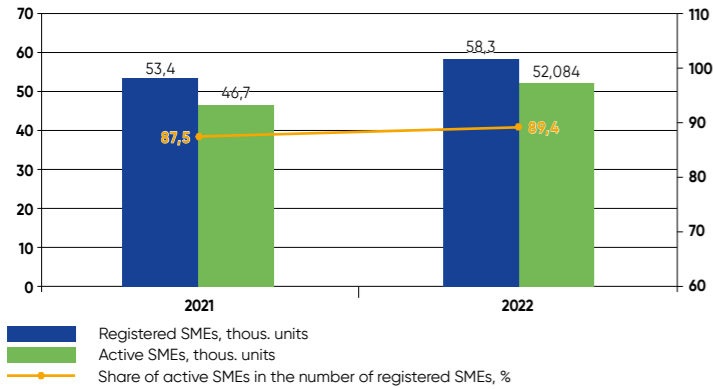


### Main changes in the SME sector in the Pavlodar region for 2022:

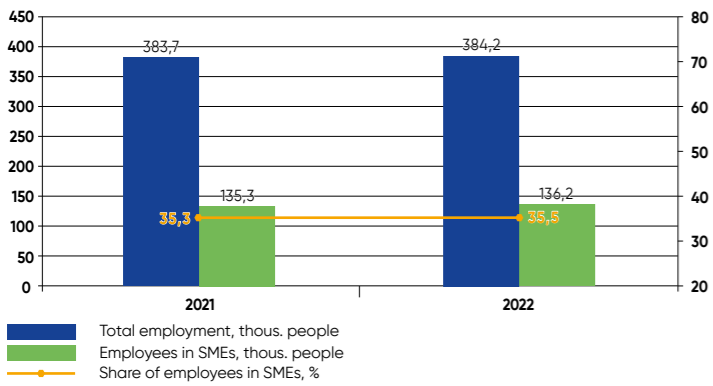
- The number of registered SMEs increased by 9.2%, the number of active SMEs increased by 11.5%. Their share increased from 87.5% to 89.4%.
- The sectoral structure is dominated by the entities engaged in trade (39.1%), agriculture (13.3%) and services (9.6%).
- The number of the population employed by SMEs increased by 0.7%. The share of the employed in SMEs of the total number of employed increased from 35.3% to 35.5%.
- The output of SMEs (in comparable prices) increased by 25.3%. The share of SMEs' GVA in GRP increased from 17.8% to 19.0%.
- The CIT expenses of small enterprises increased by 0.5%. Their share in the total CIT expenses of all enterprises decreased from 11.8% to 5.2%.
- The portfolio of loans to small business increased by 14.0%. Its share in the total portfolio of loans to the economy increased from 18.3% to 18.7%.



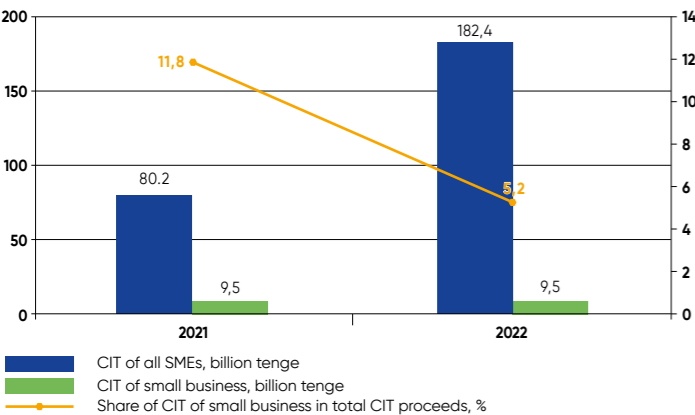
Share of active SMEs Pavlodar region in the total number of registered SMEs



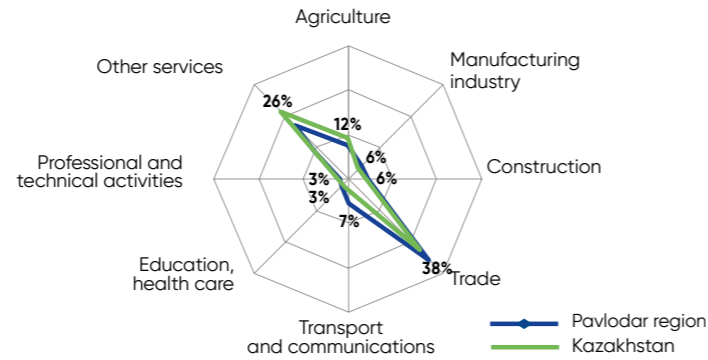
Share of employed in SMEs Pavlodar region in the total number of employed



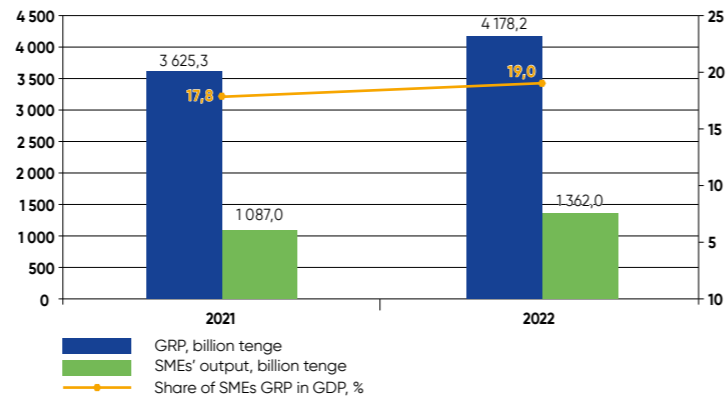
Dynamics of CIT paid by small enterprises of Pavlodar region



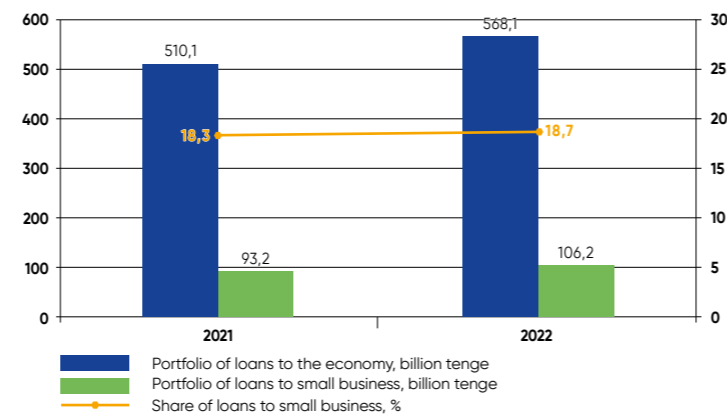
Structure of registered SMEs by nature of business



SME output and GRP dynamics in Pavlodar region



STB portfolio of loans to the economy and small business of Pavlodar region



## Results of the Damu Fund programs in the Pavlodar region

### LENDING

	Number of projects	Amount of loans, million tenge
2021	387	12 560
2022	178	5 628

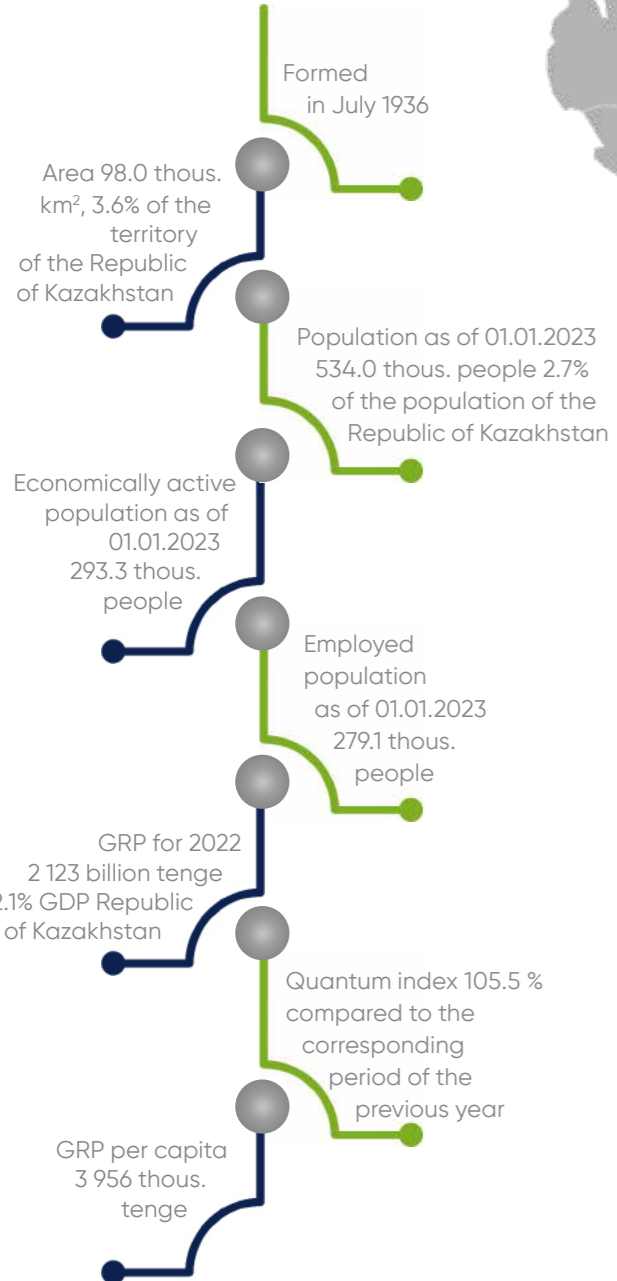
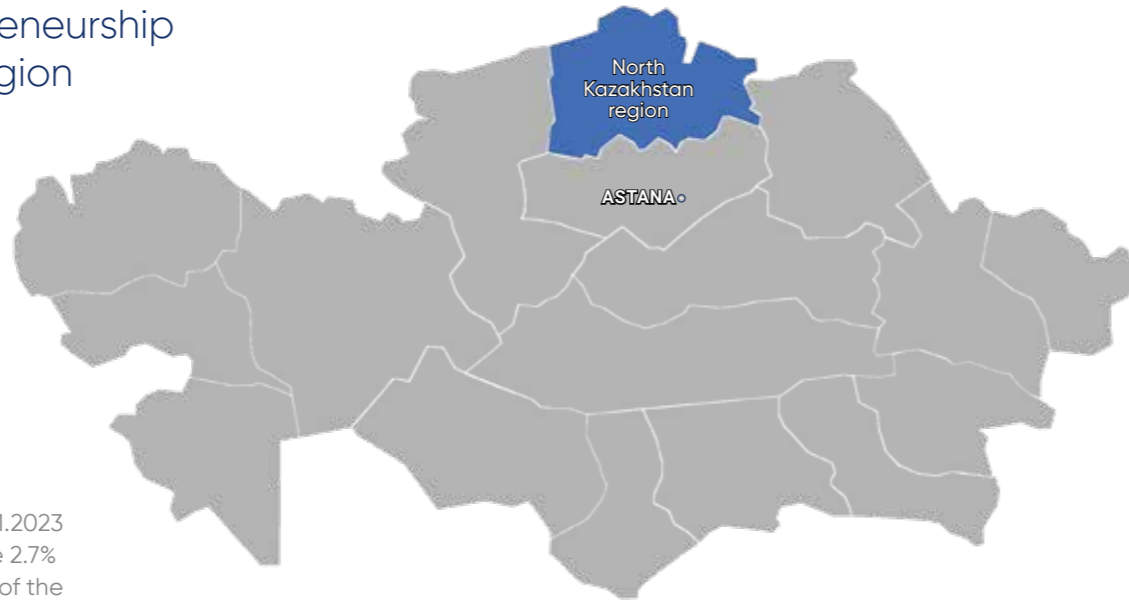
### SUBSIDIZING

	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	1 247	42 817	3 668
2022	1 116	84 022	6 618

### GUARANTEE

	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	814	20 729	9 620
2022	883	20 763	10 679

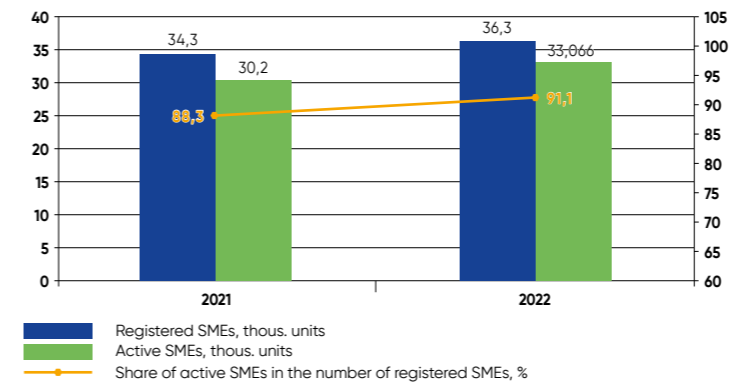
## Small and medium entrepreneurship in the North Kazakhstan region



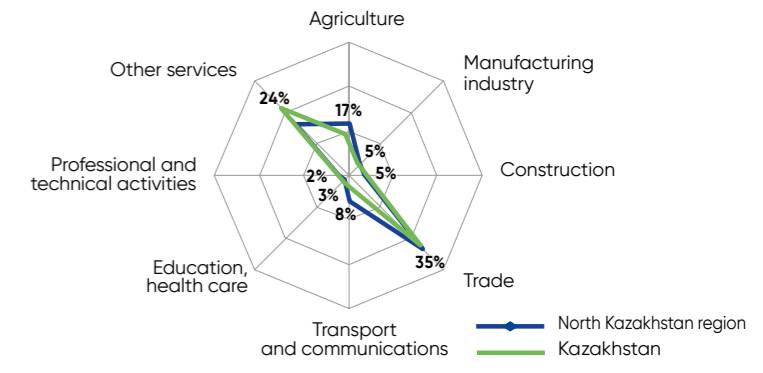
### Main changes in the SME sector in the North Kazakhstan region for 2022:

- The number of registered SMEs decreased by 6.0%; the number of active SMEs decreased by 9.4%. Their share increased from 88.3% to 91.1%.
- The sectoral structure is dominated by the entities engaged in trade (36.8%), agriculture (19.8%) and services (9.2%).
- The number of the population employed by SMEs increased by 3.4%. The share of people employed by SMEs in the total number of people employed increased from 35.8% to 38.1%.
- The output of SMEs (in comparable prices) increased by 44.2%. The share of SMEs' GVA in GRP increased from 31.4% to 37.5%.
- The CIT expenses of small enterprises decreased by 61.6%. Their share in the total CIT expenses of all enterprises decreased from 33.5% to 25.3%.
- The portfolio of loans to small business increased by 6.5%. Its share in the total portfolio of loans to the economy decreased from 20.9% to 19.9%.

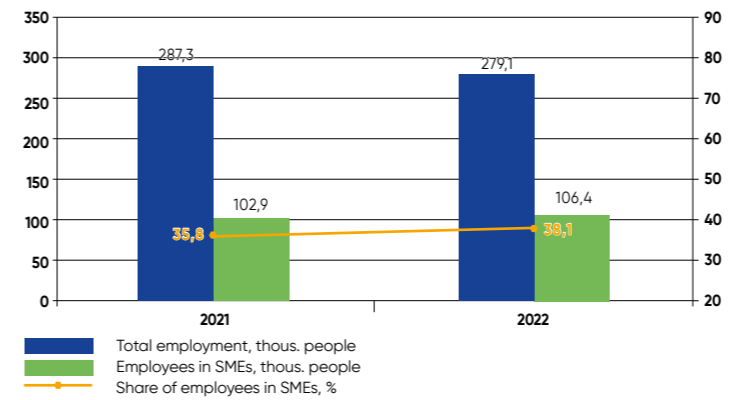
### Share of active SMEs in the North Kazakhstan region in the total number of registered SMEs



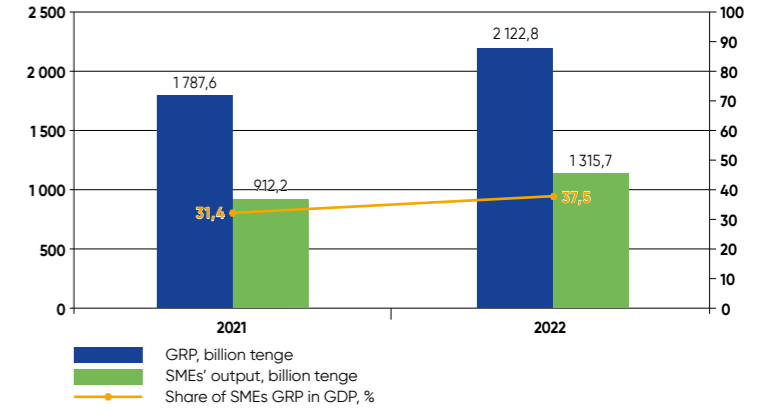
### Structure of registered SMEs by nature of business



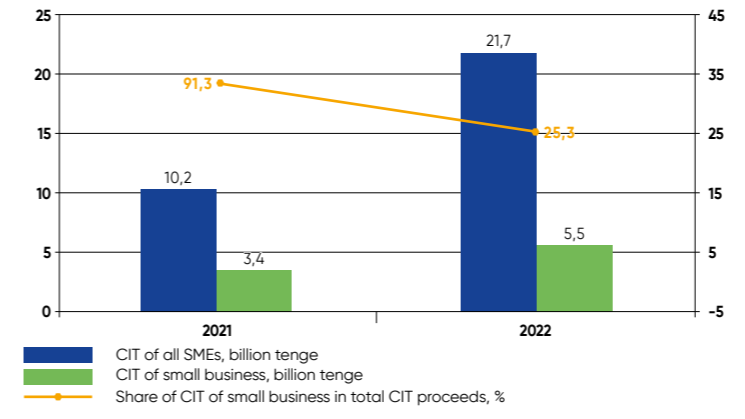
### Share of employed in SMEs North Kazakhstan region in the total number of employed



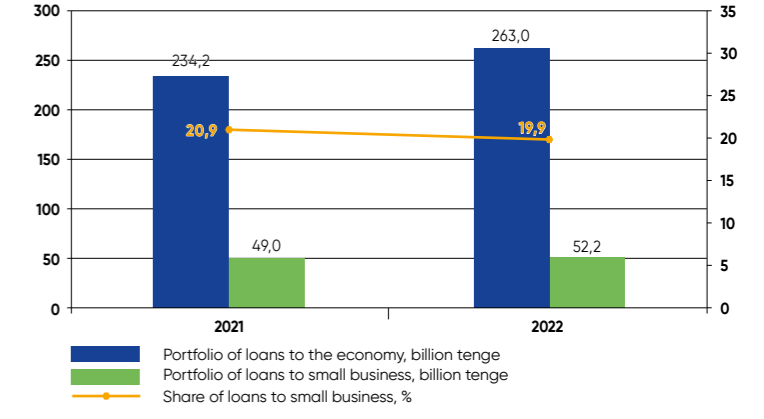
### SME output and GRP dynamics in North Kazakhstan region



### Dynamics of CIT paid by small enterprises of North Kazakhstan region



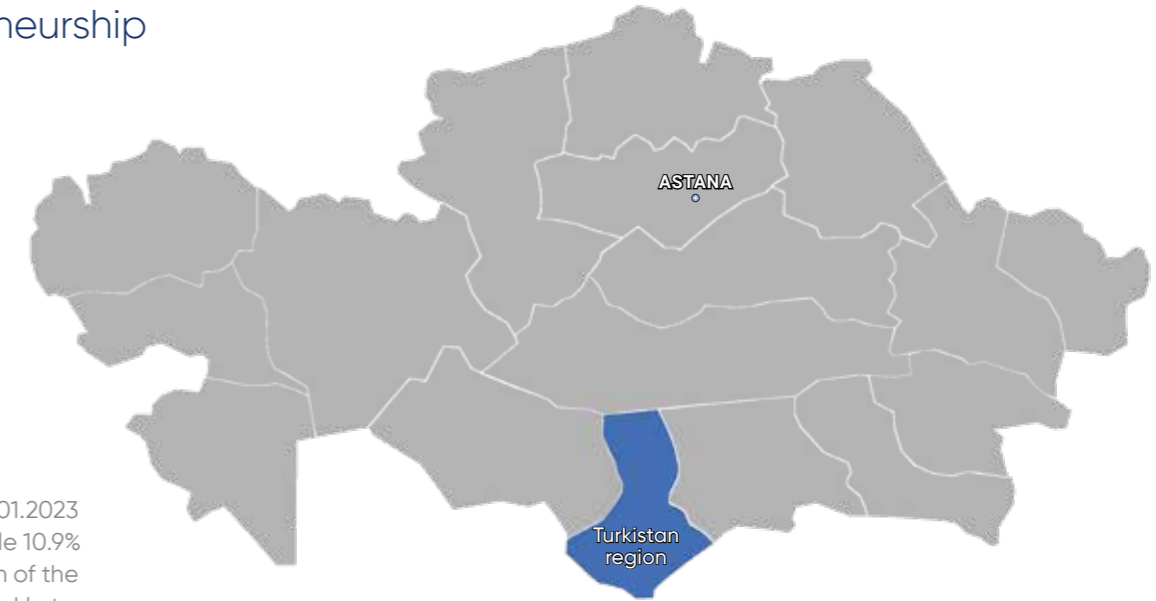
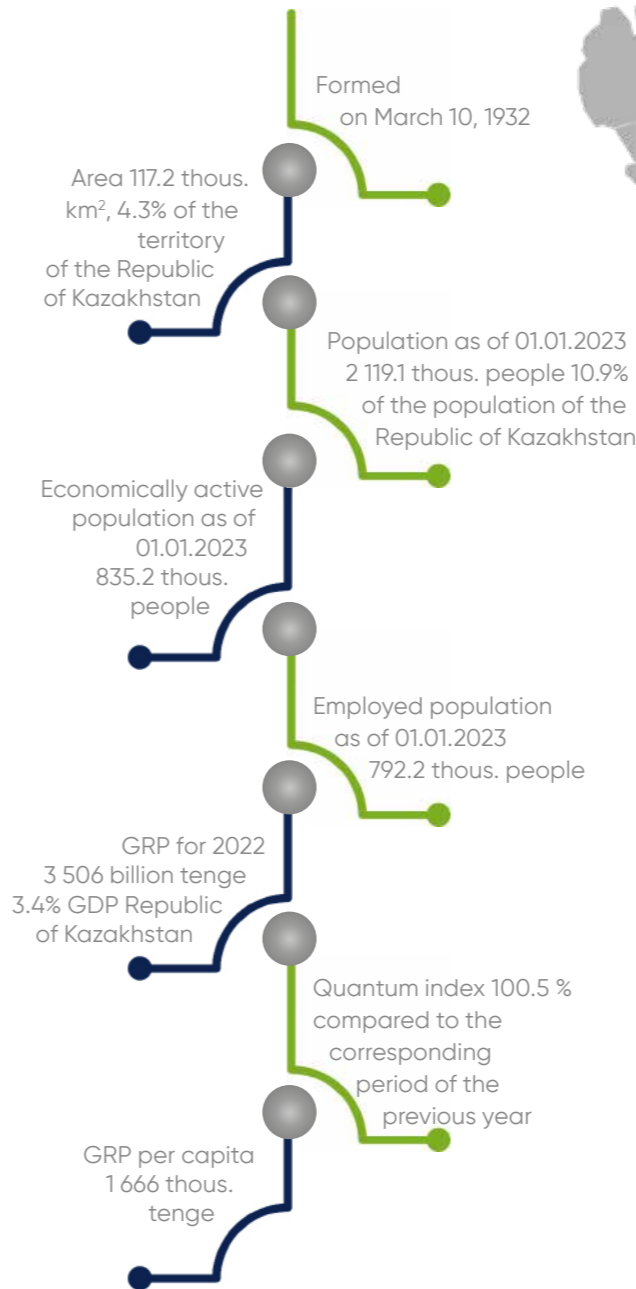
### STB portfolio of loans to the economy and small business of North Kazakhstan region



## Results of the Damu Fund programs in the North Kazakhstan region

LENDING			
	Number of projects	Amount of loans, million tenge	
2021	123	12 990	
2022	80	10 015	
SUBSIDIZING			
	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	1 128	54 699	3 428
2022	545	44 833	6 131
GUARANTEE			
	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	555	14 763	6 788
2022	456	13 502	6 719

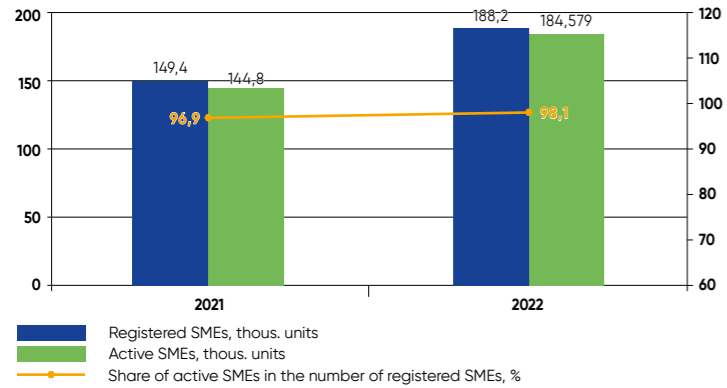
## Small and medium entrepreneurship in the Turkistan region



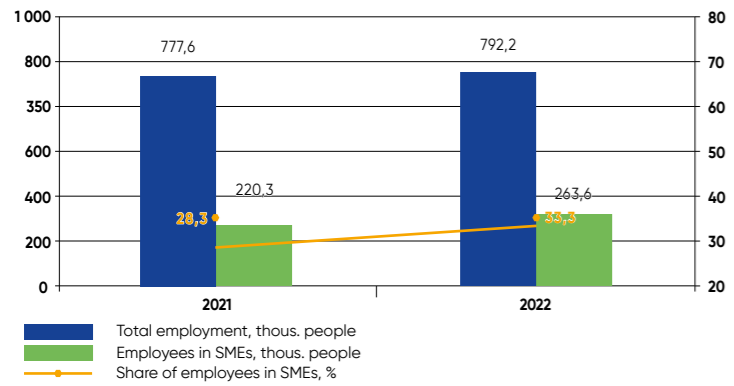
### Main changes in the SME sector in the Turkistan region for 2022:

- The number of registered SMEs increased by 26.0%; the number of active SMEs increased by 27.5%. Their share increased from 96.9% to 98.1%.
- The sectoral structure is dominated by the entities engaged in agriculture (45.4%), trade (24.7%) and services (14.4%).
- The number of the population employed in SMEs increased by 19.6%. The share of people employed by SMEs in the total number of employed increased from 28.3% to 33.3%.
- The output of SMEs (in comparable prices) increased by 18.2%. The share of SMEs' GVA in GRP decreased from 26.0% to 25.4%.
- The CIT expenses of small enterprises increased by 73.0%. Their share in the total CIT expenses of all enterprises increased from 8.3% to 9.3%.
- The portfolio of loans to small business increased by 70.8%; its share in the total portfolio of loans to the economy increased from 8.1% to 9.3%.

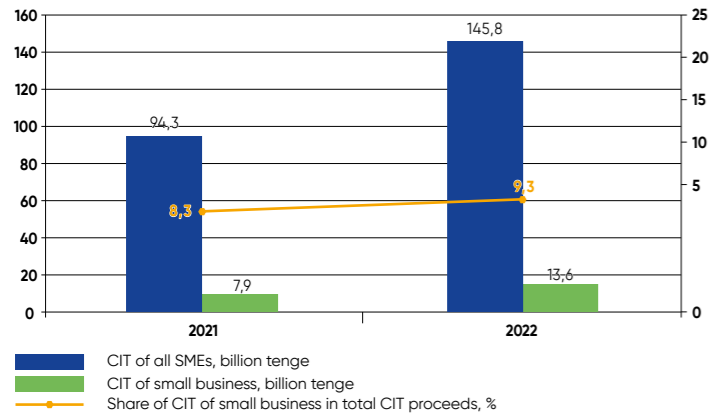
Share of active SMEs in the Turkistan region in the total number of registered SMEs



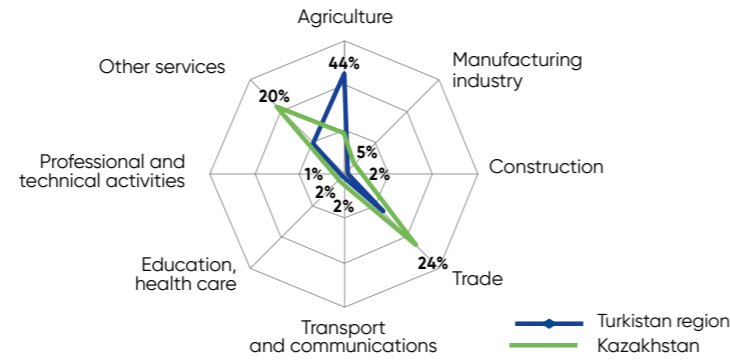
Share of employed in SMEs Turkistan region in the total number of employed



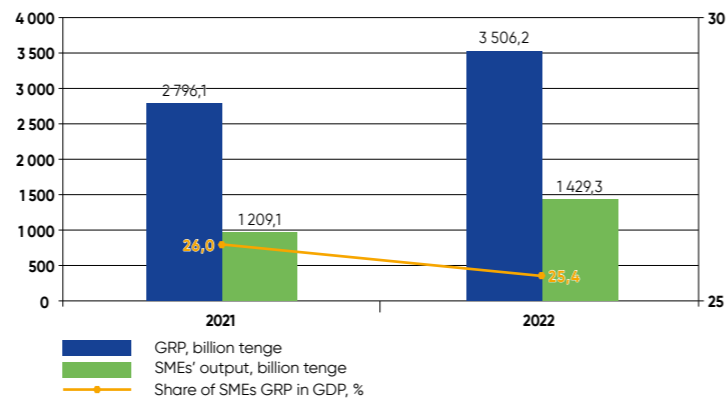
Dynamics of CIT paid by small enterprises of Turkistan region



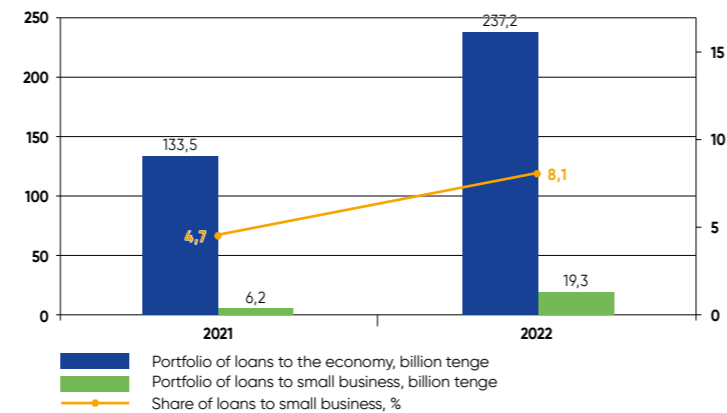
Structure of registered SMEs by nature of business



SME output and GRP dynamics in Turkistan region



STB portfolio of loans to the economy and small business of Turkistan region



Results of the Damu Fund programs in the Turkistan region

LENDING

	Number of projects	Amount of loans, million tenge
2021	1 263	4 742
2022	1 246	5 534

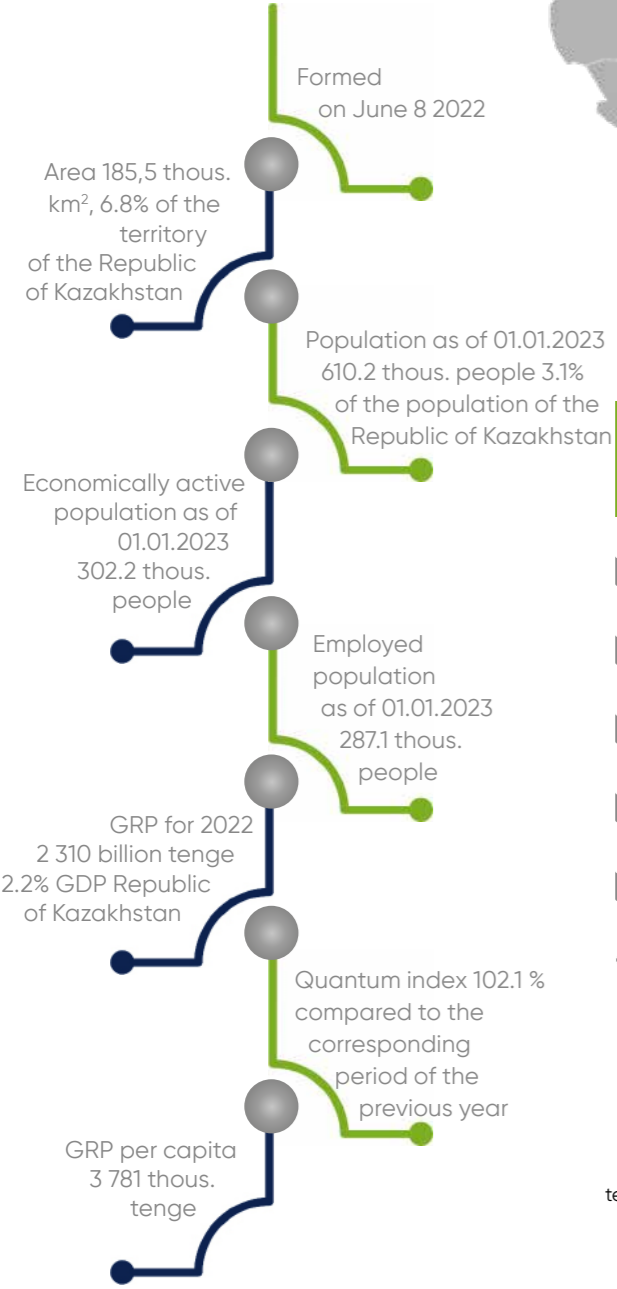
SUBSIDIZING

	Supported of projects	Amount of loans, million tenge	Amount of subsidies
2021	1 393	35 951	6 225
2022	1 447	46 565	11 112

GUARANTEE

	Supported of projects	Amount of loans, million tenge	Amount of guarantees
2021	1 317	8 579	5 415
2022	1 030	15 330	8 327

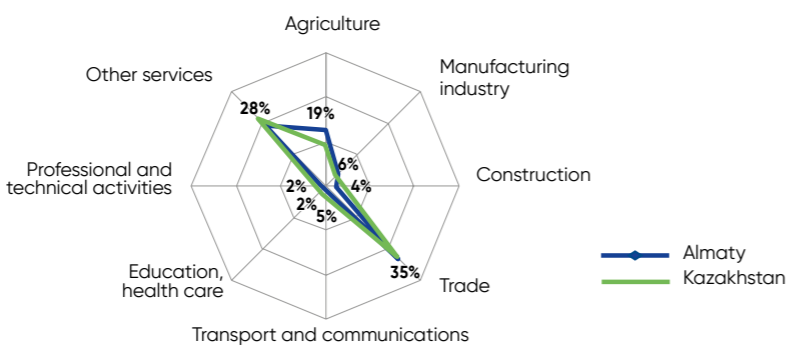
## Small and medium entrepreneurship in the Abai region



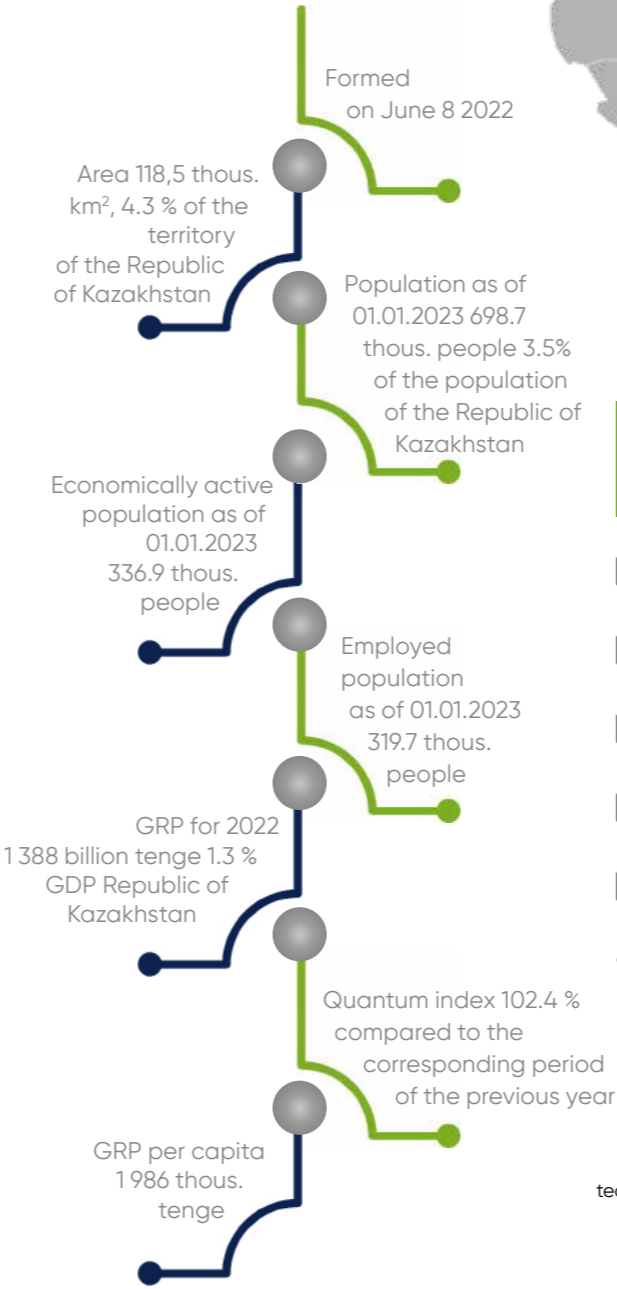
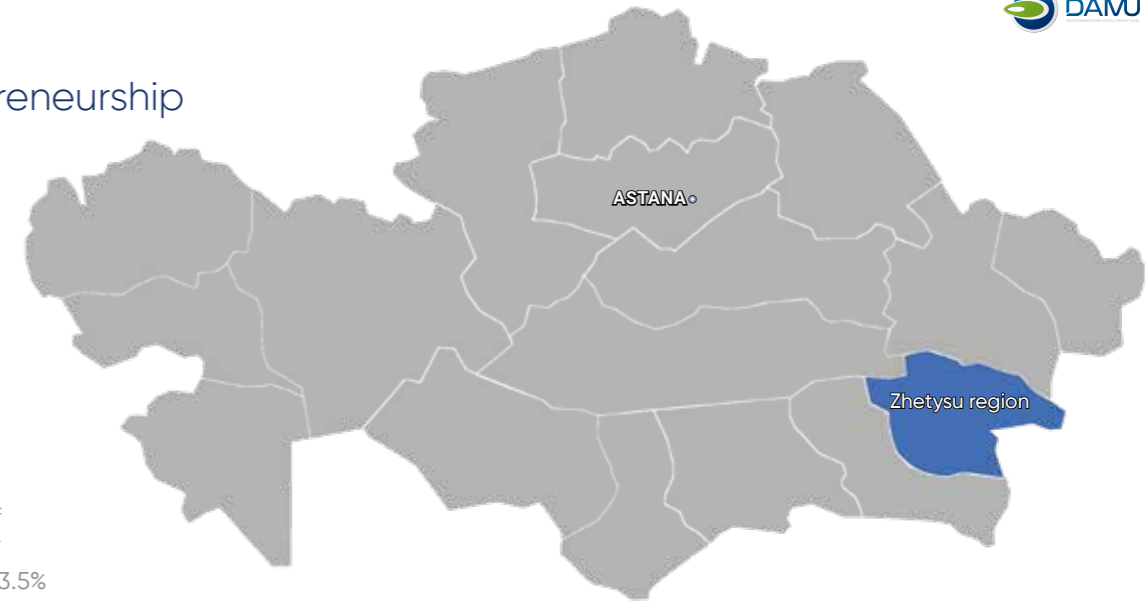
### Main changes in the SME sector in the Abai region for 2022:

- The number of registered SMEs totaled 54.8 thousand entities; the number of operating SMEs totaled 49.7 thousand entities. Their share made 90.6 %;
- companies engaged in trade (35.6 %), agriculture (20.7 %) and services (12.8 %) prevail in the sectoral structure;
- the number of people employed in SMEs totaled 99.5 thousand. The share of those employed in SMEs in the total labor force reached 34.6 %.
- the output of SMEs (in comparable prices) totaled KZT 2,310.1 billion. The share of SME GVA in GRP amounted to 16.6%;
- CIT expenses of small enterprises totaled KZT 2.2 billion. Their share in the total expenditures on CIT of all enterprises made 3.7 %.

#### Structure of registered SMEs by nature of business



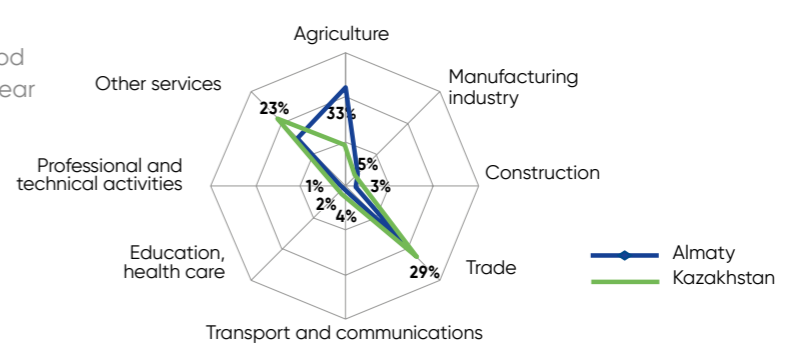
## Small and medium entrepreneurship in the Zhetysu region



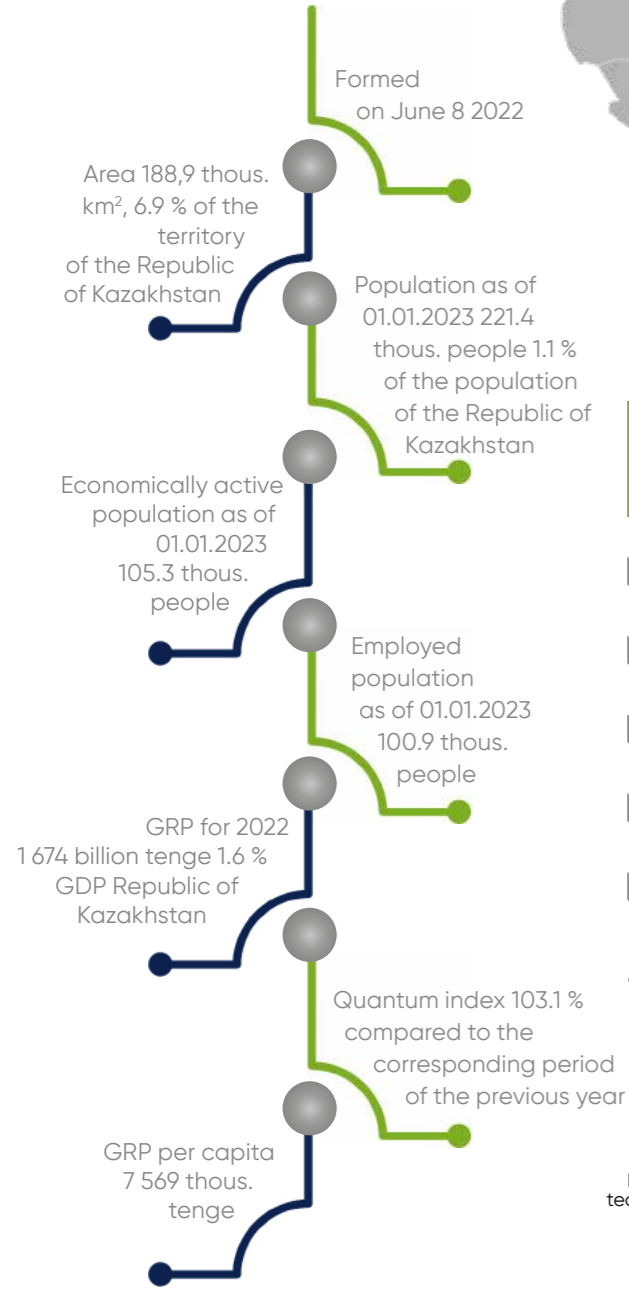
### Main changes in the SME sector in the Zhetysu region for 2022:

- The number of registered SMEs totaled 59.5 thousand entities; the number of operating SMEs totaled 53.6 thousand entities. Their share made 90.0 %;
- companies engaged in agriculture (35.7 %), trade (29.3 %) and services (11.6 %) prevail in the sectoral structure;
- the number of people employed in SMEs totaled 102.1 thousand. The share of those employed in SMEs in the total labor force reached 31.9 %;
- the output of SMEs (in comparable prices) totaled KZT 935.9 billion. The share of SME GVA in GRP amounted to 39.3%;
- CIT expenses of small enterprises totaled KZT 2.4 billion. Their share in the total expenditures on CIT of all enterprises made 27.6 %.

#### Structure of registered SMEs by nature of business

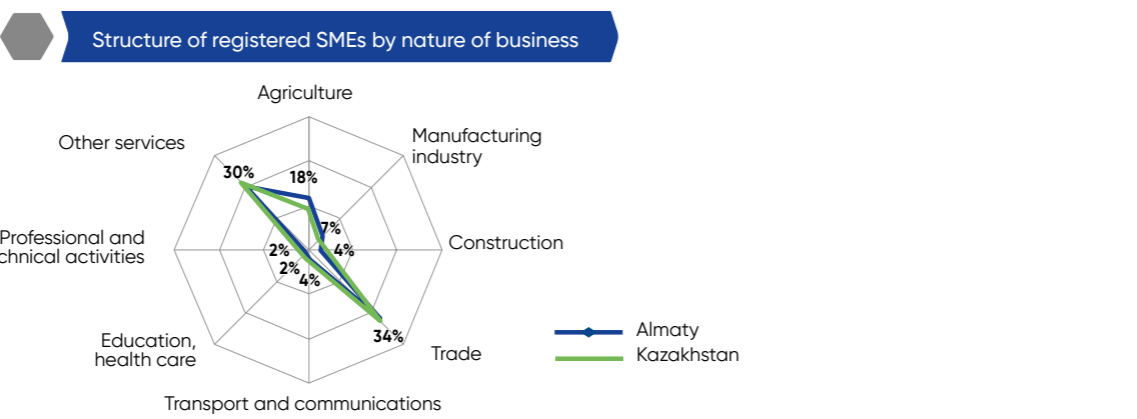


## Small and medium entrepreneurship in the Ulytau region



### Main changes in the SME sector in the Ulytau region for 2022:

- The number of registered SMEs totaled 18.8 thousand entities; the number of operating SMEs totaled 17.4 thousand entities. Their share made 92.8 %;
- companies engaged in trade (34.5%), agriculture (20.1%) and services (16.4%) prevail in the sectoral structure;
- the number of people employed in SMEs totaled 31.2 thousand. The share of those employed in SMEs in the total labor force reached 30.9 %.
- the output of SMEs (in comparable prices) totaled KZT 167.6 billion. The share of SME GVA in GRP amounted to 5.1%;
- CIT expenses of small enterprises totaled KZT 0.8 billion. Their share in the total expenditures on CIT of all enterprises made 1.1 %.



# 4.

## RESULTS OF THE JSC DAMU ENTREPRENEURSHIP DEVELOPMENT FUND BUSINESS SUPPORT PROGRAMS



Damu Entrepreneurship Development Fund JSC is a national development institution implementing state and proprietary programs to support entrepreneurship in Kazakhstan. Within the framework of its core activities, the Damu Fund provides support to private business entities through such instruments as:

- 1) financing entrepreneurs through conditional placement of funds in STB (second-tier bank), leasing companies and microfinance organizations;
- 2) subsidizing the interest rate on loans and financial leasing agreements;
- 3) partial guaranteeing of entrepreneurs' loans;
- 4) information and consulting support and project administration to financial organizations.

This section presents the main results of the implementation of the above instruments as of the end of 2022.

### 1. FINANCIAL SUPPORT PROGRAMS FOR ENTREPRENEURIAL BUSINESSES

1.1 Conditional placement of funds programs with STBs, leasing companies and microfinance institutions for subsequent financing of entrepreneurs

Since November 2007, the Damu Fund has been an operator of conditional placement programs in STBs, microfinance institutions and leasing companies for subsequent lending to private entrepreneurship, including SMEs. During this period and as of 01.01.2023, the Damu Fund has financed entrepreneurs under more than 32 conditional placement programs. These include:

- 1) programs of mass coverage of SMEs that do not provide for regional and sectoral restrictions (1-3 tranches of the Stabilization Program, SME financing through loans from the Asian Development Bank, European Bank for Reconstruction and Development, programs of conditional placement of funds in microfinance organizations for subsequent SME financing, etc.);
- 2) regional programs that help to reduce regional disparity in SME financing (Damu-Regions 1-3, point-based financing programs in regions, etc.);
- 3) sectoral programs promoting the diversification of the SME sector (Damu-Ondiris, financing of leasing transactions, SME support programs for manufacturing industry, etc.);
- 4) social programs.

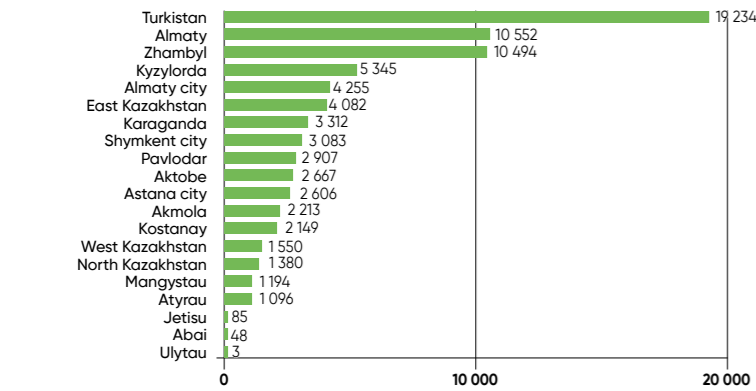
In total, 78,264 borrowers were financed under conditional placement programs as of 01.01.2023 for a total amount of KZT 2,794.25 billion, including for 2022, 5,286 entrepreneurs were financed for a total amount of KZT 184.0 billion.

### RESULTS OF CONDITIONAL PLACEMENT PROGRAMS FOR 01.01.2023

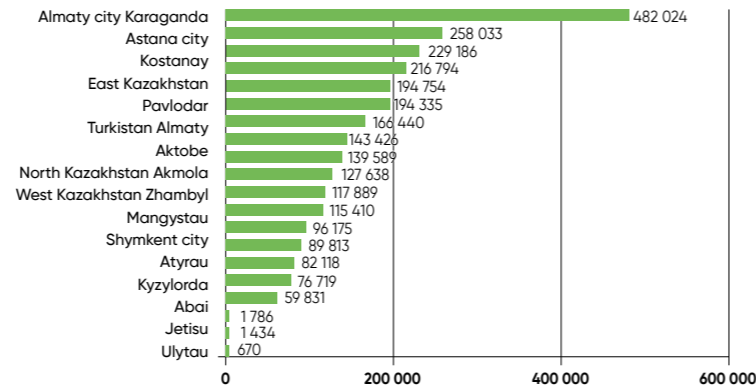
№	PROGRAM	Program implementation year	Amount, million tenge	Number of borrowers, units	Average loan amount, million tenge	Average loan term, months	Weighted average interest rate	Effective % rate
1	UNDP-GEF Program "Reducing the risks of investing in renewable energy sources" (RES)	since 2021 - active	200	1	200	58	6,00%	6,20%
2	Islamic Finance	since 2020 - active	25 880	91	284	31	14,28%	14,90%
3	Productive Employment and Mass Entrepreneurship Program	since 2017 - active	69 099	4 764	14	42	5,99%	6,28%
4	SME Financing Program through MFIs	since 2016 - active	39 300	10 423	3	21	27,30%	31,35%
5	SME Franchise Transaction Financing Program	since 2016 - active	579	12	48	58	14,65%	16,52%
6	Manufacturing SME Support Program through the National Fund of the Republic of Kazakhstan (3rd tranche)	since 2015 - active	319 492	853	375	24	6,00%	6,27%
7	Manufacturing SME Support Program through the National Fund of the Republic of Kazakhstan (2nd tranche)	since 2014 - active	317 637	805	395	24	6,00%	6,27%
8	Manufacturing SME Support Program through the National Fund of the Republic of Kazakhstan (1st tranche)	since 2014 - active	289 330	1 189	243	72	5,99%	6,24%
9	Damu-Regions III Program	since 2012 - active	258 974	2 879	90	27	13,71%	14,85%
10	SME Leasing Transaction Financing Program	since 2011 - active	46 690	715	66	46	11,30%	11,61%
11	SME regional Financing Program	since 2010 - active	148 926	2 360	63	32	7,80%	8,37%
12	ADB Program (4th tranche) - through STBs - through MFIs	2017-2020	80 112,41	587	137	34	13,45%	14,85%
13	SME Lending Program Using Factoring	2016-2019	27 601,90	32 904	0,8	16	41,45%	44,27%
14	EBRD's SME Financing Program	2015-2021	1 238,71	3	413	3	21,26%	23,57%
15	EBRD Women in Business Program - through STBs - through MFIs	2015-2021	104 724,79	1 375	76	31	14,62%	16,03%
16	ADB program (3rd tranche)	2015-2018	15 034,17	323	46	41	14,91%	16,50%
17	ADB program (2nd tranche)	2014-2019	7 998,70	13 562	0,6	14	41,45%	44,27%
18	SME Financing Program for Zhanaozen, Mangystau region-2	2012-2019	112 143,78	550	204	17	15,70%	17,38%
19	ADB program (1st tranche)	2011-2016	68 819,22	709	97	28	14,49%	15,93%
20	SME Financing Program for Small Towns	2011-2019	1 700,26	54	31	47	10,00%	10,59%
21	Financing Program for Private Business Engaged in Provision of Services in Astana and Almaty	2011-2018	76 688,72	1 096	70	17	13,20%	14,73%
22	Damu-Koldau II Refinancing Program	2011-2015	346	48	7	45	13,64%	15,42%
23	Damu-Regions II Program	2010-2019	313	5	63	25	11,08%	12,75%
24	Microlending Program for Women Entrepreneurship	2010-2018	258	2	129	42	12,50%	13,21%
25	Leasing Transaction Financing Program for SMEs Engaged in Manufacturing	2010-2017	12 607,33	164	77	53	9,78%	10,65%
26	SME Financing Program for Zhanaozen, Mangystau region	2009-2018	14 331,48	1 539	9	35	12,11%	13,37%
27	MLO Lending Program	2009-2017	2 224,09	71	31	53	8,00%	8,05%
28	Damu-Ondiris Program	2009-2016	237	28	8	50	9,87%	10,50%
29	Stabilization Program (3rd tranche)	2009-2015	1 742,56	8	218	55	12,85%	13,96%
30	Damu-Regions Program	2008-2015	111 191,74	355	313	19	8,00%	8,49%
31	Stabilization Program (2nd tranche)	2008-2015	272 375,54	3 974	69	32	11,22%	12,10%
32	Stabilization Program (1st tranche)	2007-2014	75 631,78	1 596	47	33	12,45%	13,57%
<b>TOTAL</b>			<b>2 610 149,5</b>	<b>75 031</b>	<b>199 915,56</b>	<b>3 754</b>	<b>53</b>	<b>38</b>

At the regional level, the largest amounts were granted in Almaty city, Karaganda region, Astana city, Kostanay region and East Kazakhstan region.

Number of borrowers in the regional context as of 01.01.2023, units

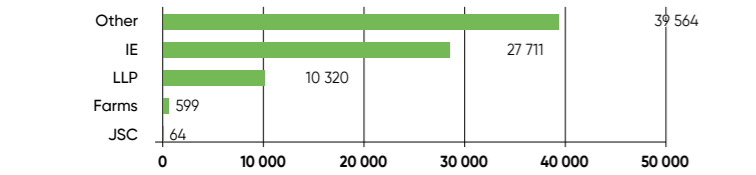


Amount of financing in the regional context as of 01.01.2023, million tenge

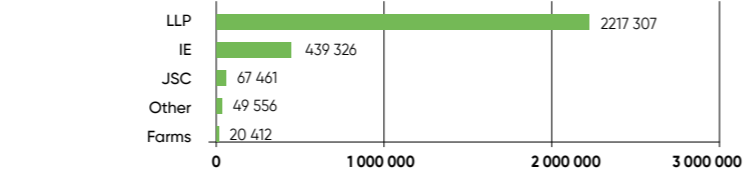


The largest number of borrowers was financed in the Turkestan, Almaty, Jambyl, Kyzylorda regions and Almaty city. In terms of organisational and legal form of the financed entities, the leading positions in respect of the volume of loans are occupied by limited liability partnerships (10,320 borrowers for the amount of KZT 2,217,307 million) and individual entrepreneurs (27,711 borrowers for the amount of KZT 439,326 million).

Number of borrowers by organizational and legal participant forms as of 01.01.2023, units

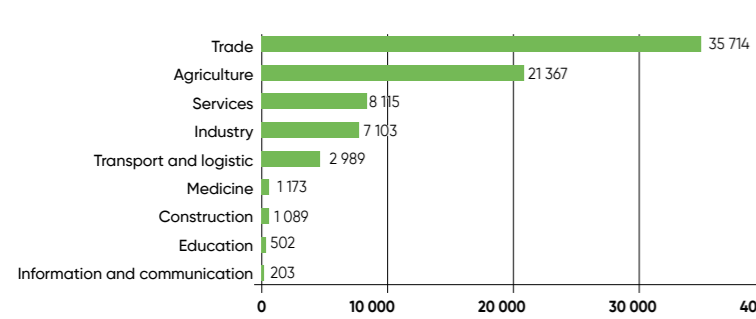


Amount of financing in the context of organizational and legal participant forms as of 01.01.2023, million tenge

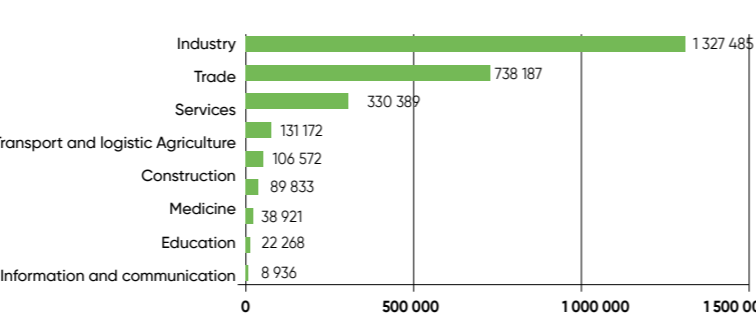


At the industry level, manufacturing, trade and services are in the lead in terms of the volume of loans issued.

Number of borrowers in the sectoral context as of 01.01.2023, units

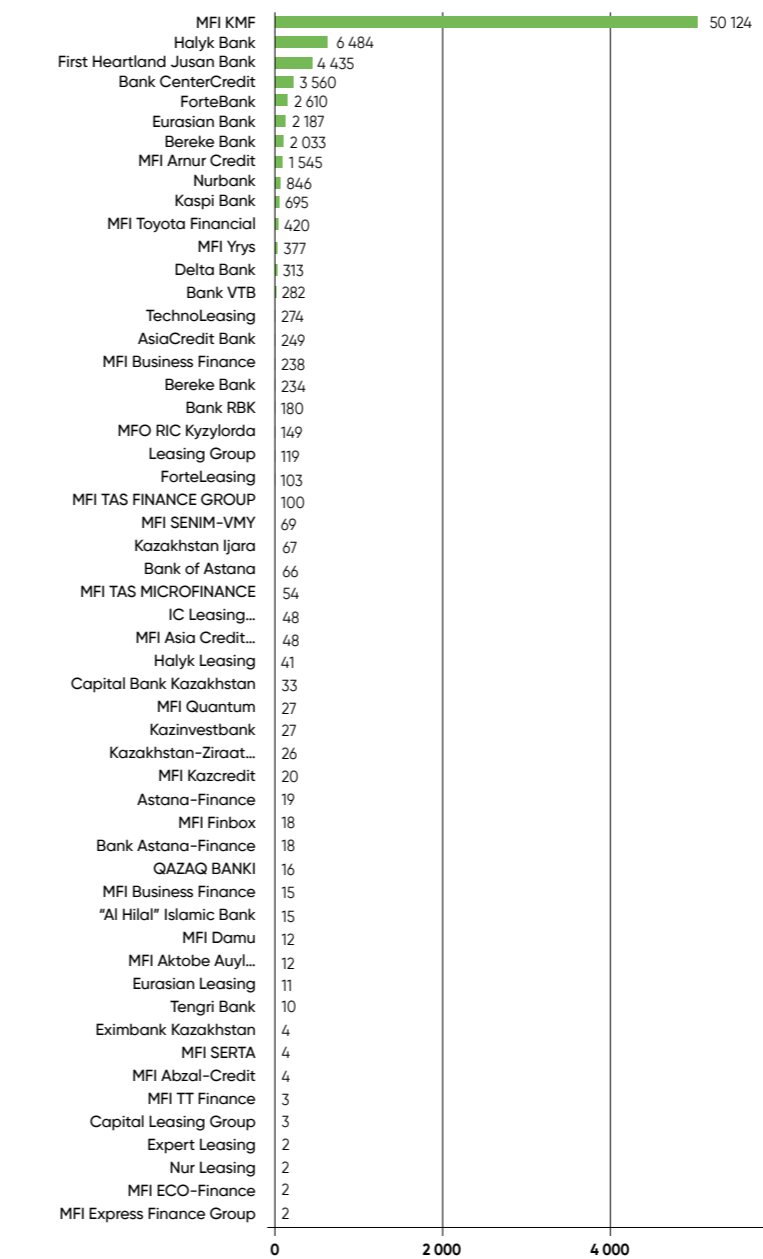


Amount of financing in the sectoral context as of 01.01.2023, million tenge

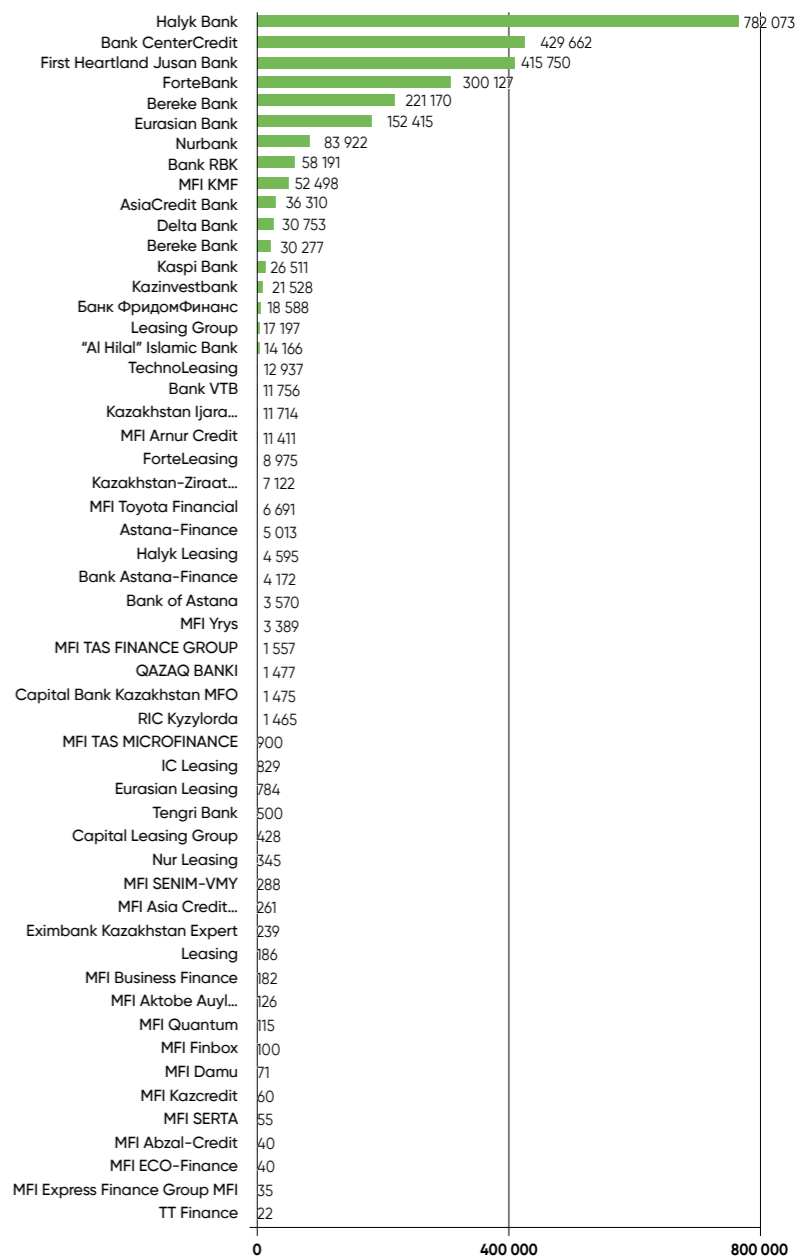


The least actively financed are borrowers in the construction sector. As of 01.01.2023, the leading positions among financial institutions in terms of the volume of loans issued are occupied by Halyk Bank of Kazakhstan JSC, Bank CenterCredit JSC, First Heartland Jusan Bank JSC and Fortebank JSC. In terms of the number of financed borrowers – MFO KMF LLP, Halyk Bank of Kazakhstan JSC, First Heartland Jusan Bank JSC and Bank CenterCredit JSC.

Number of borrowers in the context of financial institutions as of 01.01.2023, units



Amount of financing in the context of financial institutions as of 01.01.2023, million tenge

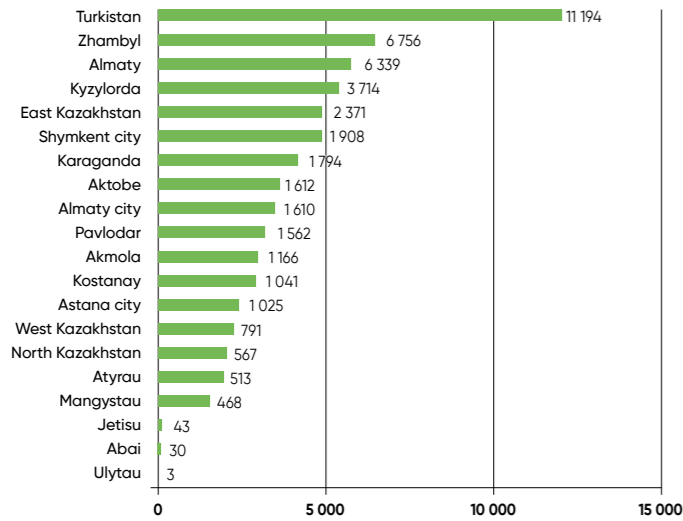




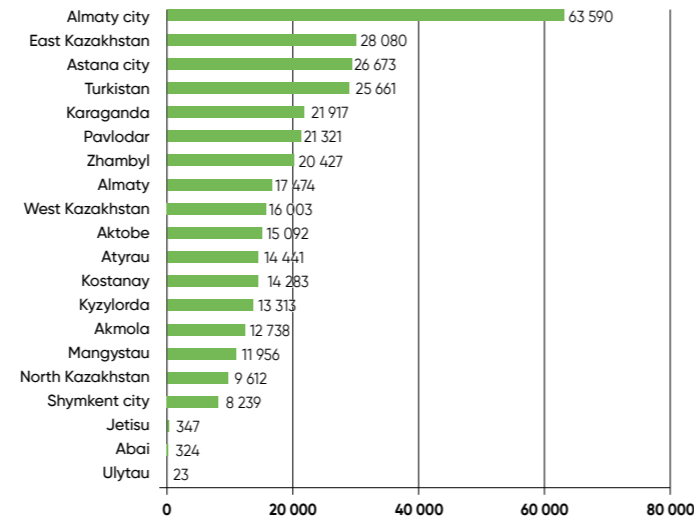
### STATISTICS ON THE PARTICIPATION OF WOMEN ENTREPRENEURS

As of 01.01.2023, 44,507 female entrepreneurs- borrowers were financed under conditional placement programs for a total amount of KZT 341.5 billion.

Number of women borrowers in the regional context as of 01.01.2023, units.

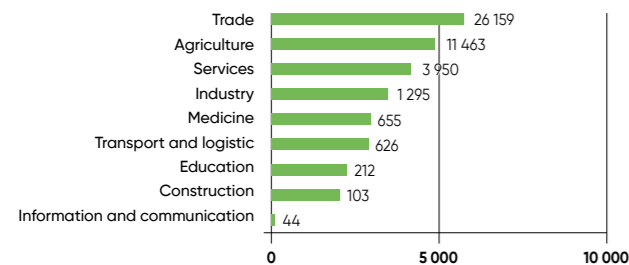


Amount of financing for loans to women in the regional context as of 01.01.2023, million tenge

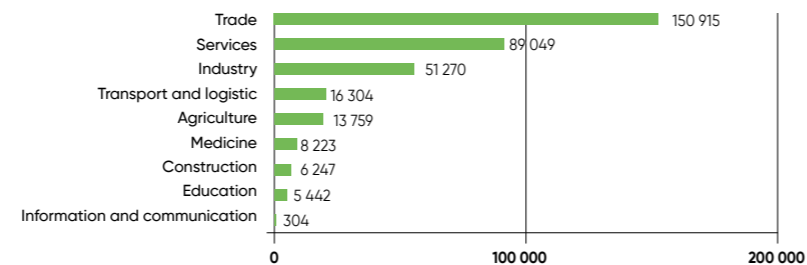


At the regional level, the largest number of female borrowers was financed in the Turkestan, Jambyl and Almaty regions. At the same time, Almaty city, East Kazakhstan region and Astana city are the leaders in terms of the volume of loans issued to women. 44.2% of the total volume of issued funds to female entrepreneurs has been directed to the sphere of trade, 26.1% – to the sphere of services. The largest number of women can be observed in such sectors as trade, agriculture and services.

Number of women borrowers in the sectoral context as of 01.01.2023, units.

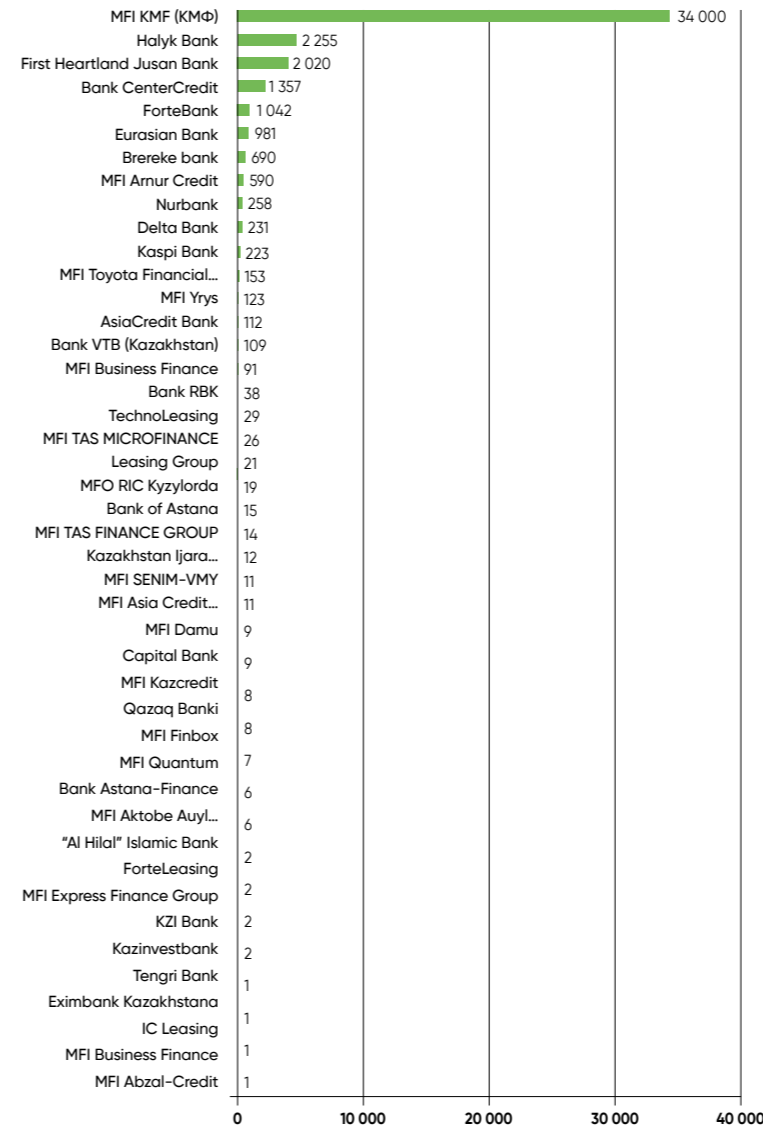


Amount of financing for loans to women in the sectoral context as of 01.01.2023, million tenge

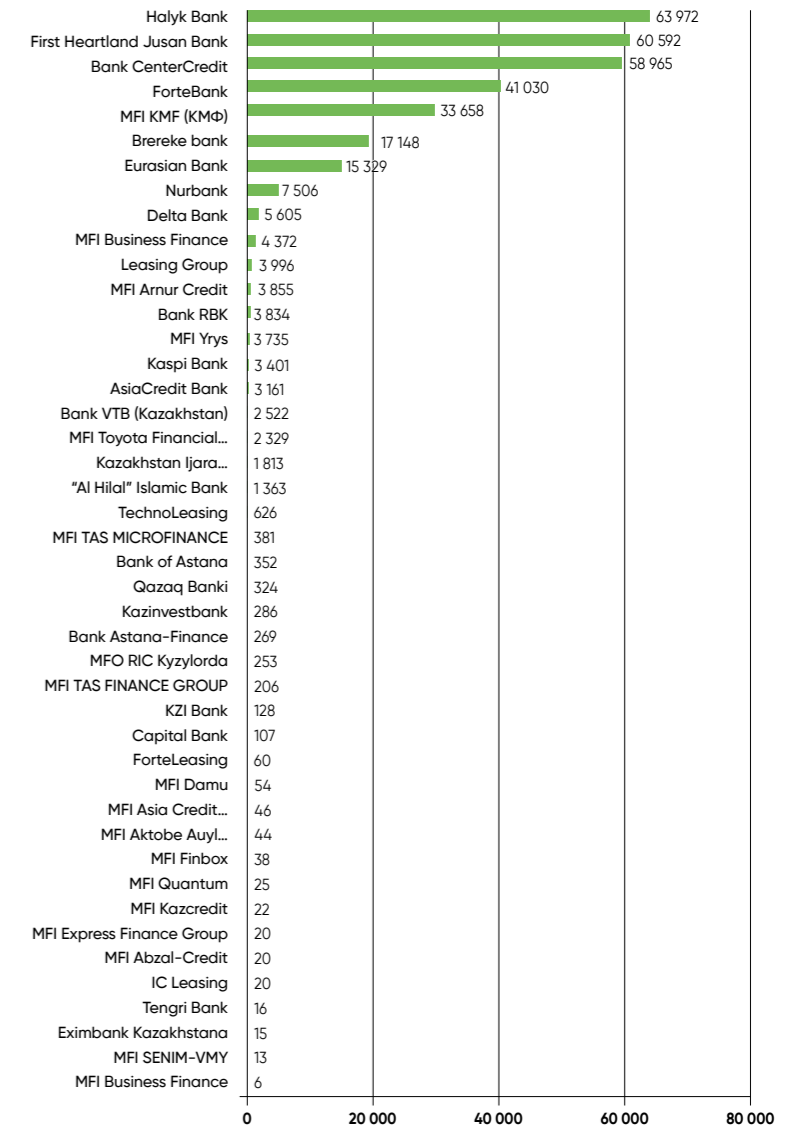


The largest number of female borrowers was financed by MFO KMF LLP, Halyk Bank of Kazakhstan JSC and First Heartland Jusan Bank JSC. It should be noted that Halyk Bank JSC, First Heartland Jusan Bank JSC and Bank CenterCredit JSC have the largest volumes of financing for female entrepreneurs.

Number of women borrowers in the context of financial institutions as of 01.01.2023, units.



Amount of financing for loans to women in the context of financial institutions as of 01.01.2023, million tenge

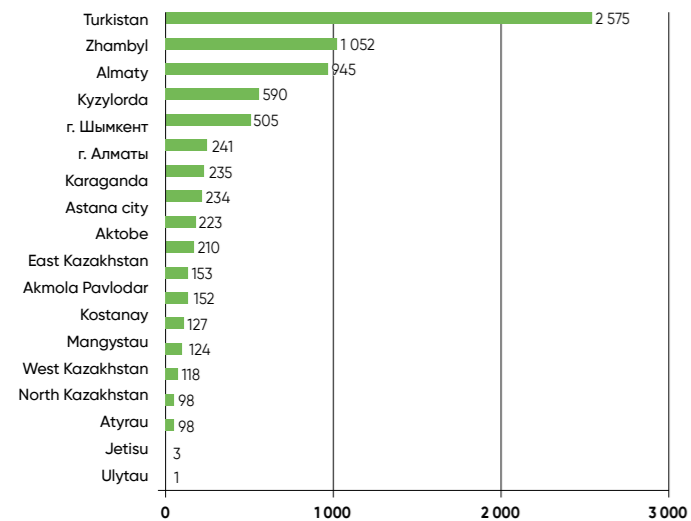


### STATISTICS ON THE PARTICIPATION OF YOUNG ENTREPRENEURS

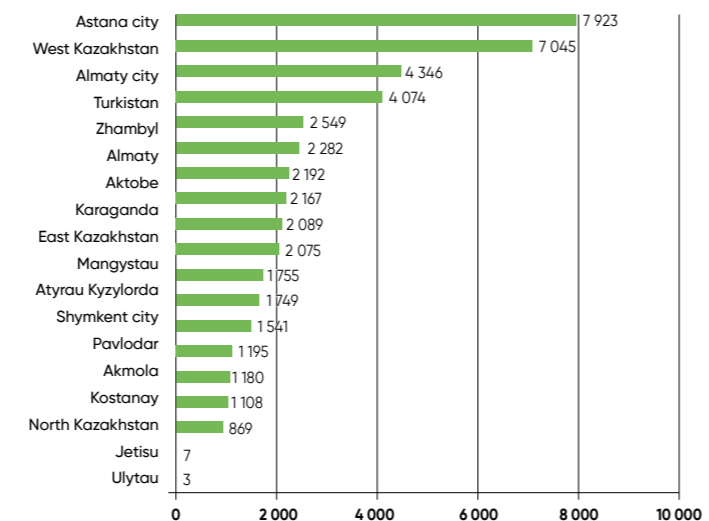
Since the beginning of the Programs of conditional placement of funds in STBs and leasing companies, 7,684 projects of young entrepreneurs under 29 years of age have been financed for a total of KZT 46,147 million.

At the regional level, the largest number of young entrepreneurs has been financed in the Turkestan, Jambyl, Almaty and Kyzylorda regions. It should be noted that Astana city, West Kazakhstan region, Almaty city and Turkestan region are the leaders in terms of the volume of loans issued.

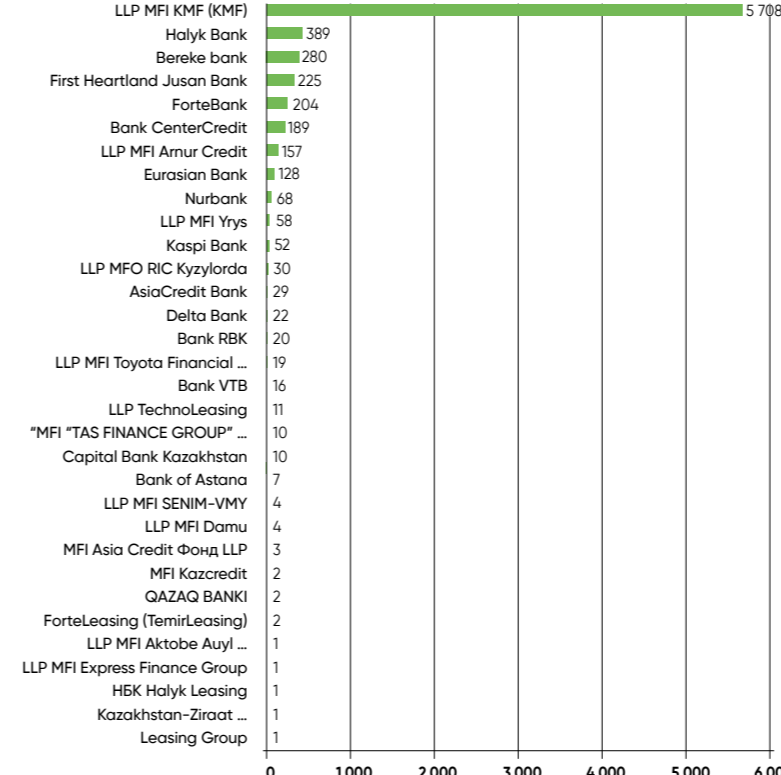
Number of projects of young entrepreneurs in the regional context as of 01.01.2023, units.



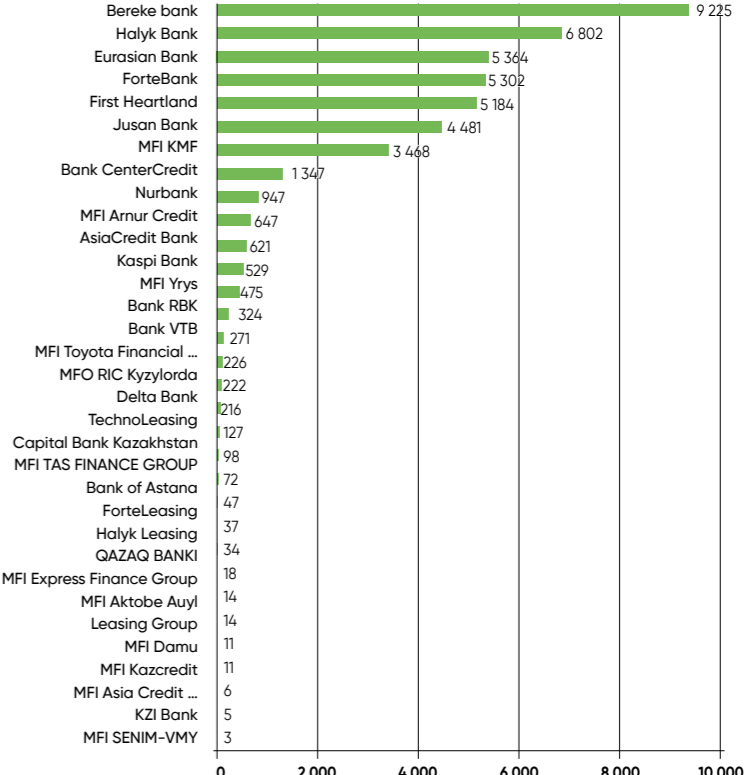
Amount of financing for projects of young entrepreneurs in the regional context as of 01.01.2023, million tenge



Number of young entrepreneurs in the context of financial institutions as of 01.01.2023, units.

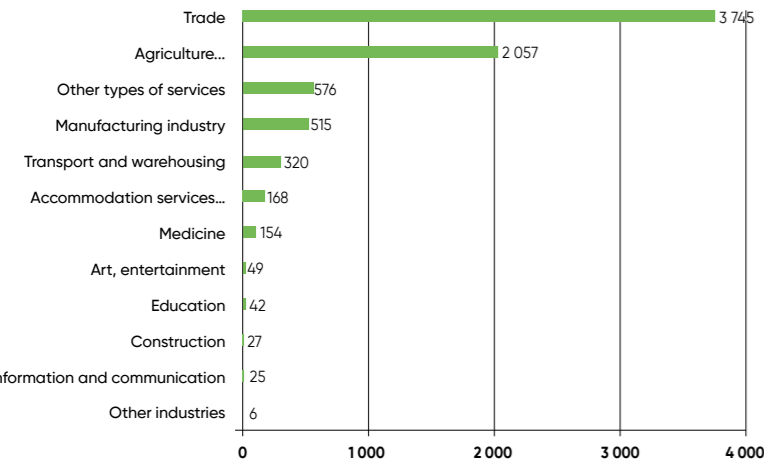


Amount of financing of young entrepreneurs in the context of financial institutions as of 01.01.2023, million tenge

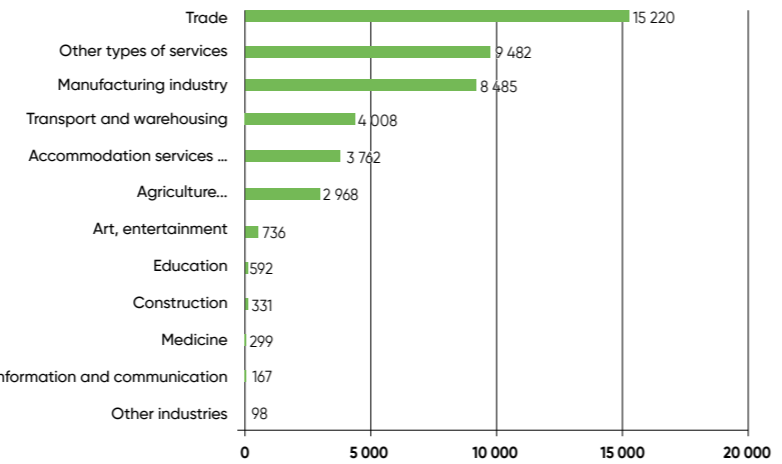


33% of the total volume of funds granted to young entrepreneurs has been directed to the sphere of trade, 20.5% – in the sphere of other services. The majority of young people have been funded in the areas of trade, agriculture and various services.

Number of projects of young entrepreneurs in the sectoral context as of 01.01.2023, units



Amount of financing for projects of young entrepreneurs in the sectoral context as of 01.01.2023, million tenge



The largest number of young entrepreneurs has been financed by MFO KMF LLP, Halyk Bank of Kazakhstan JSC and Bereke Bank JSC. Bereke Bank JSC, Halyk Bank of Kazakhstan JSC and Eurasian Bank JSC are the leaders in terms of the volumes of financing to young people.

1.2. SUBSIDIZING THE INTEREST RATE ON LOANS AND LEASING TRANSACTIONS OF SMES

Interest rate subsidization is an instrument of financial support used by the government to partially reimburse the expenses of an entrepreneur on payment of loan/leasing interest on a free-of-charge and irrevocable basis. This type of support is implemented within the framework of the National Entrepreneurship Development Project for 2021–2025 (hereinafter – the Program), adopted by Resolution of the Government of the Republic of Kazakhstan dated October 12, 2021, No.728.

The Program is aimed at achieving the goal of the messages of the President of the Republic of Kazakhstan to the people of Kazakhstan "Kazakhstan-2030" Strategy" and "Kazakhstan way-2050: common goal, common interests, common future".

The purpose of the Program is to ensure qualitative changes in the structure of entrepreneurship:

- development of small businesses in order to boost employment of the population;
- reliance on medium-sized business – a driver of diversification of economy sectors;
- comprehensive development of competition – equal conditions for business entities.

Previously, the subsidization of the interest rate was implemented through the "Business Road Map 2025" Program, the "Business Road Map 2020" Program, the Program for the development of single-industry towns for 2012–2020 and the Special Plan for the development of entrepreneurship in Janaozen city for 2012–2014, financed through budget funds.

During the implementation of the State Program, the subsidy tool has gained popularity among entrepreneurs and has shown

effectiveness in terms of attracting loans/leasing transactions for projects implemented in priority sectors of the economy within the framework of the State Program, manufacturing industries identified by the SPIID, and without sectoral restrictions.

The State Program provides for a separate direction for each target segment of entrepreneurship:

– 1st direction “Support of small businesses, including micro-entrepreneurship” is designed for small businesses, including micro-entrepreneurship;

– 2nd direction “Sectoral support of entrepreneurs/industrial and innovative entities provides for the financial support of entrepreneurs/industrial and innovative entities with the following measures:

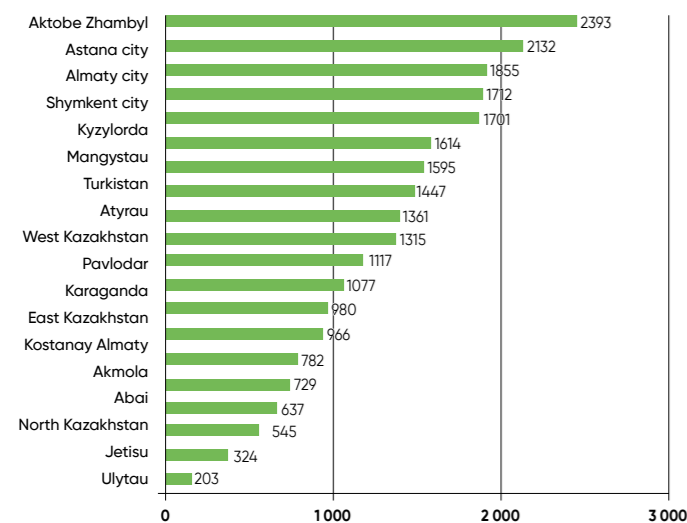
- 1) subsidizing the interest rate on loans/financial leasing agreements of banks/development bank/leasing companies;
- 2) subsidizing a part of the mark-up on goods and a part of the lease payment constituting the income of Islamic banks;
- 3) subsidizing the interest rate on loans granted under long-term KZT liquidity objective to address affordable credit for manufacturing and services as well as processing activities in the agro-industrial sector;
- 4) subsidizing the coupon interest rate on bonds issued by business entities.

– 3th direction, “Non-financial business support measures”, provides for the state non-financial support to private entrepreneurs and population with entrepreneurial initiative, which includes information and analytical support of entrepreneurship, development of entrepreneurs’ competencies, increase of entrepreneurs’ productivity, extension of business contacts. Within the framework of this direction, until 2015 the Damu Fund provided support through training programs. Afterwards, this function was transferred to the National Chamber of Entrepreneurs of the Republic of Kazakhstan “Atameken”. The Damu Fund also provides consulting in the Entrepreneurs’ Competence Centers.

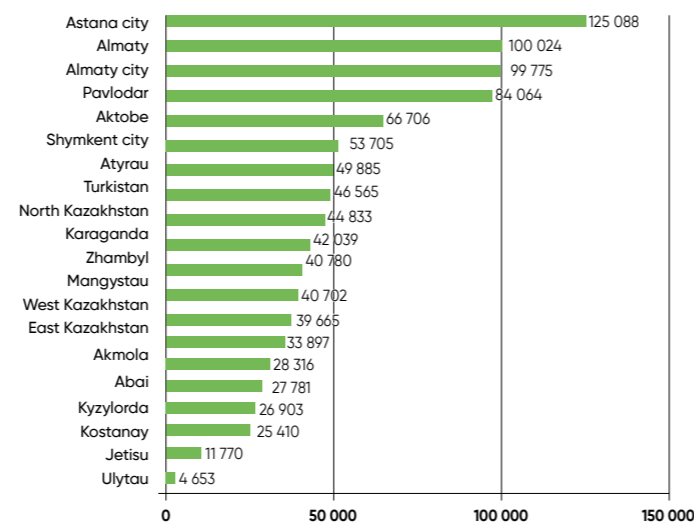
The Damu Fund is the financial agent of the Program and subsidizes interest rates on entrepreneurs’ loans, as well as provides entrepreneurs with guarantees to banks when obtaining loans.

Over the thirteen years of the Program, interest rate subsidy agreements have been signed in respect of 86,908 projects on loans totaling KZT6,643 million. Subsidies amounting to KZT 622,318 million have been paid out. Particularly in 2022, 24,485 projects were supported through interest rate subsidies on loans totaling KZT 992,562 million.

Number of subsidy projects in the context of regions as of 01.01.2023, units.

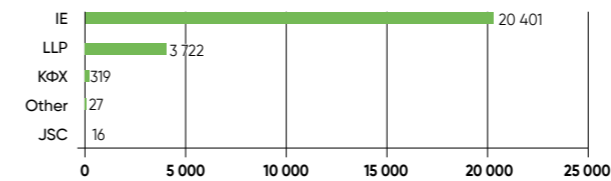


Amount of loans for subsidized projects in the context of regions as of 01.01.2023, million tenge

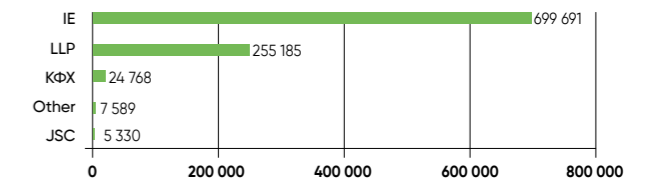


In the regional breakdown of subsidized projects, the leading positions by number of projects are occupied by: Aktobe region (2,393 projects), Jambyl region (2,132 projects) and Astana city (1,855 projects). In terms of the volume of subsidized loan portfolio the leaders are Astana city (KZT 125,088 million), Almaty region (KZT 100,024 million) and Almaty city (KZT 99,775 million).

Number of subsidy projects in the context of the types of participants as of 01.01.2023, units



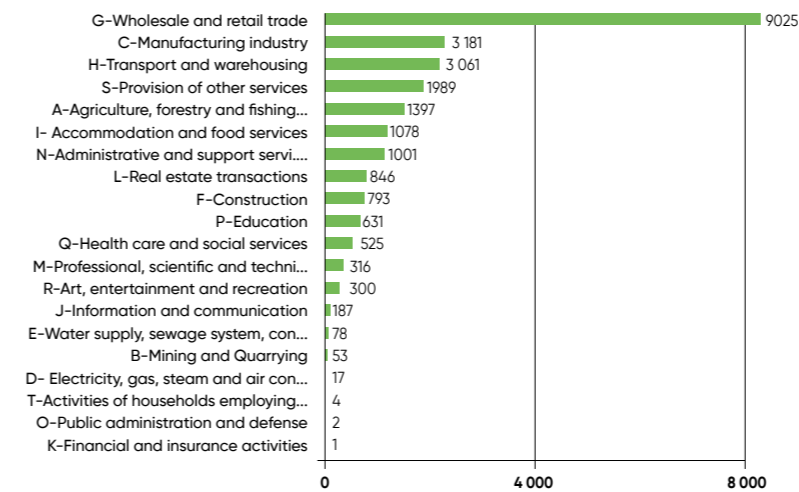
Amount of loans for subsidized projects in the context of the types of participants as of 01.01.2023, million tenge



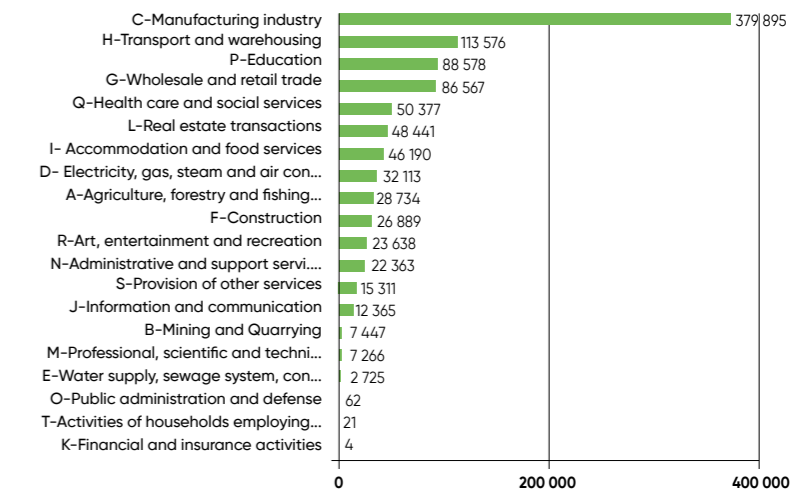
With regard to the organizational-legal form in the structure of participants on subsidizing, the leading positions are occupied by individual entrepreneurs (20,401 projects worth KZT 255,185 million) and limited liability partnerships (3,772 projects worth KZT 699,691 million).

Wholesale and retail trade (9,025 projects worth KZT 86,567 million), manufacturing (3,181 projects worth KZT 379,895 million), transportation and warehousing (3,061 projects worth KZT 113,576 million) are leading in the structure of subsidized projects at the industry level.

Number of subsidy projects in the context of the types of economic activity as of 01.01.2023, units



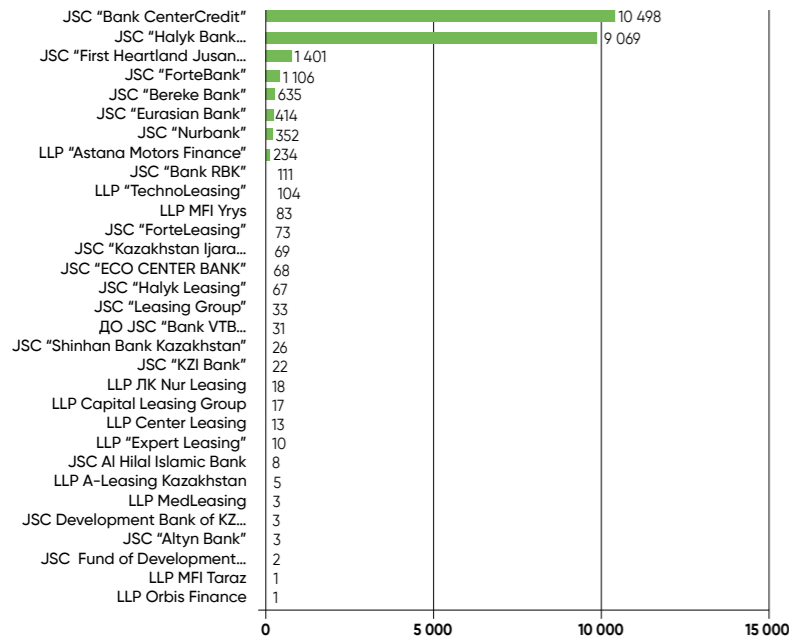
Amount of loans for subsidized projects in the context of the types of economic activity as of 01.01.2023, million tenge



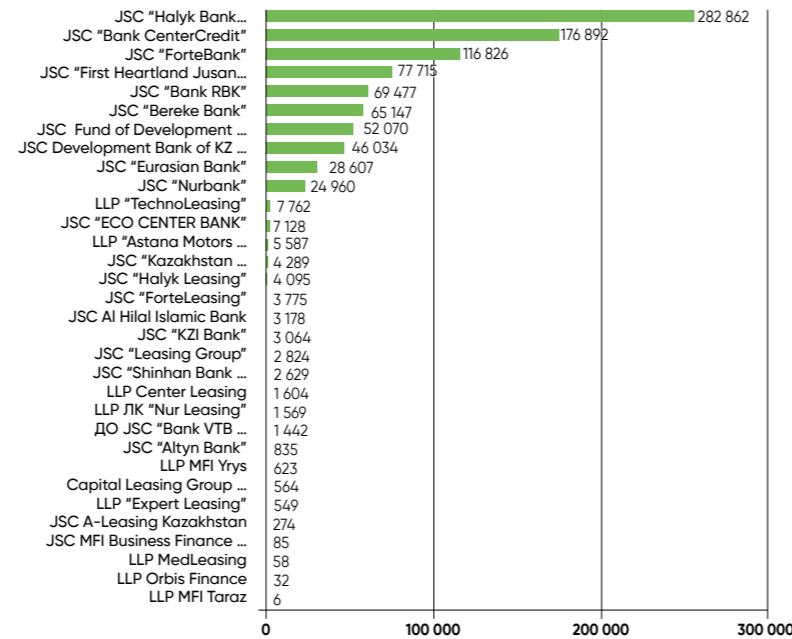
The least activity of the participants of the Program on subsidizing was registered in the “Financial and insurance activity” sector.

As of today, the leading positions in subsidizing are occupied by Bank CenterCredit JSC (10,498 projects worth KZT 176,892 million), Halyk Bank of Kazakhstan JSC (9,069 projects worth KZT 282,862 million), First Heartland Jusan Bank JSC (1,401 projects worth KZT 77,715 million).

Number of subsidy projects in the context of financial institutions as of 01.01.2023, units



Amount of loans for subsidized projects in the context of financial institutions as of 01.01.2023, million tenge

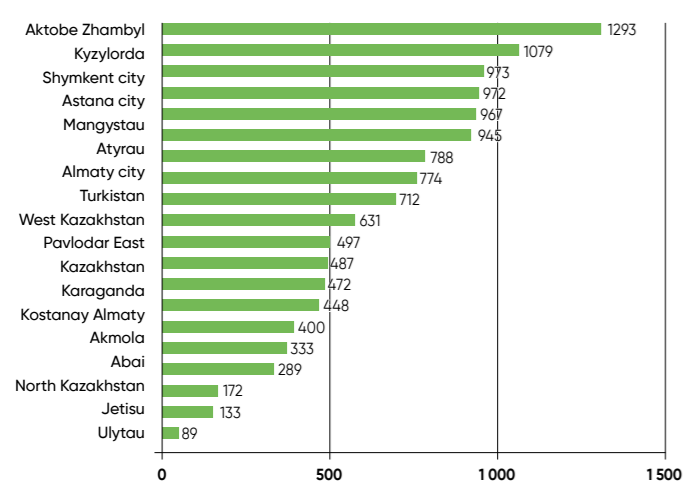


STATISTICS ON THE PARTICIPATION OF WOMEN ENTREPRENEURS

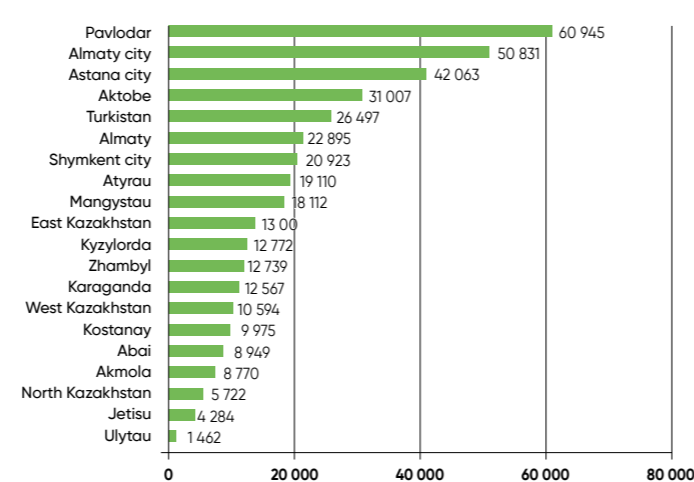
Within the framework of the State Program, 12,454 projects of female entrepreneurs have been subsidized for a total amount of KZT 393,225 million.

Regionally, the most actively projects of female entrepreneurs have been subsidized in the Aktobe, Jambyl and Kyzylorda regions and in the city of Shymkent. The largest volumes of subsidized loan portfolio have been recorded in the Pavlodar region, Almaty, Astana cities and Aktobe region.

Number of subsidized projects of women entrepreneurs in the regional context as of 01.01.2023, units

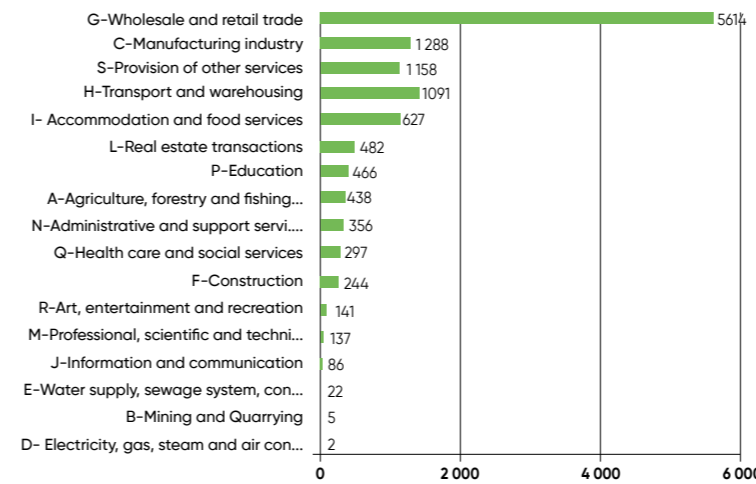


Amount of loans for subsidized projects of women entrepreneurs in the regional context as of 01.01.2023, million tenge

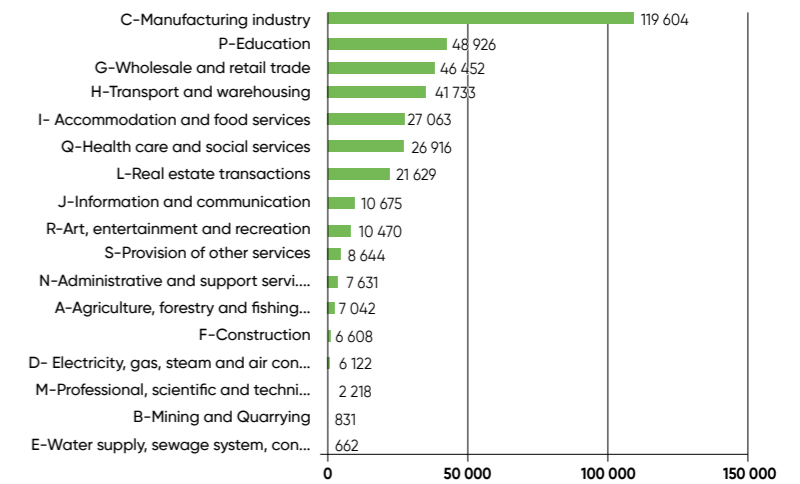


Most of the female entrepreneurs' subsidized projects fall under the wholesale and retail trade and manufacturing sectors.

Number of subsidized projects of women entrepreneurs in the sectoral context as of 01.01.2023, units

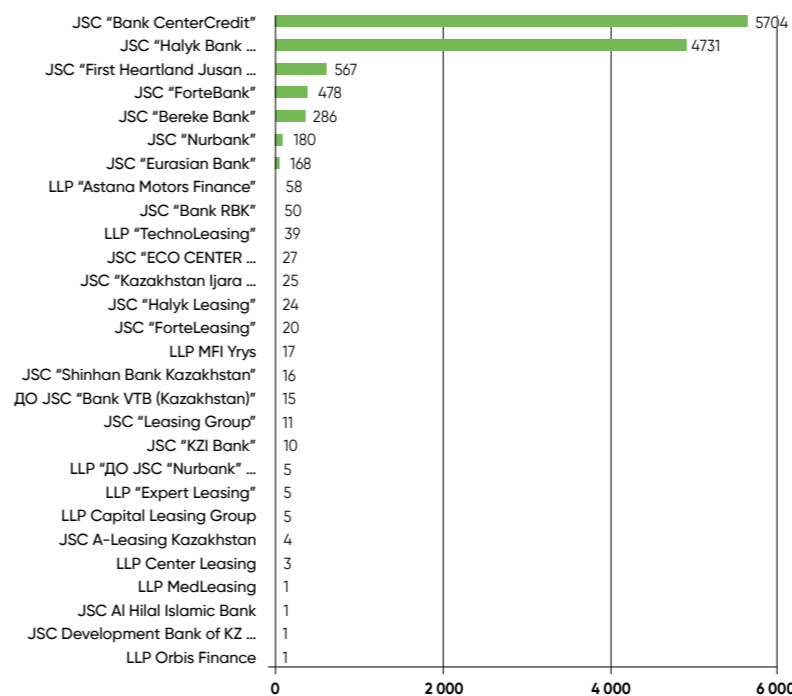


Amount of loans for subsidized projects of women entrepreneurs in the sectoral context as of 01.01.2023, million tenge

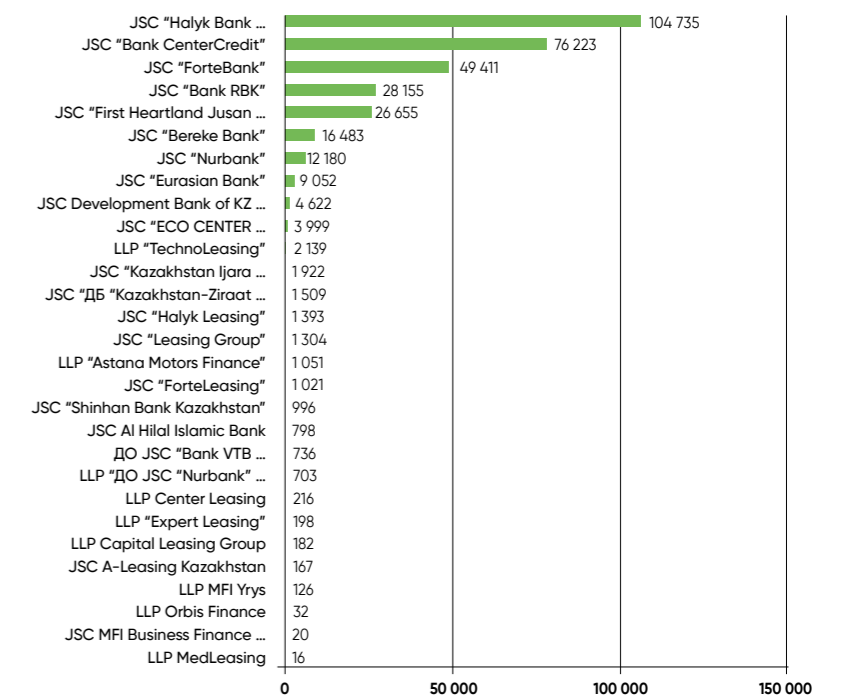


With a breakdown into financial institutions, female representatives of small and medium-sized businesses have been most actively subsidized by Bank CenterCredit JSC, Halyk Bank of Kazakhstan JSC and First Heartland Jusan Bank JSC.

Number of subsidized projects of women entrepreneurs in the context of financial institutions as of 01.01.2023, units

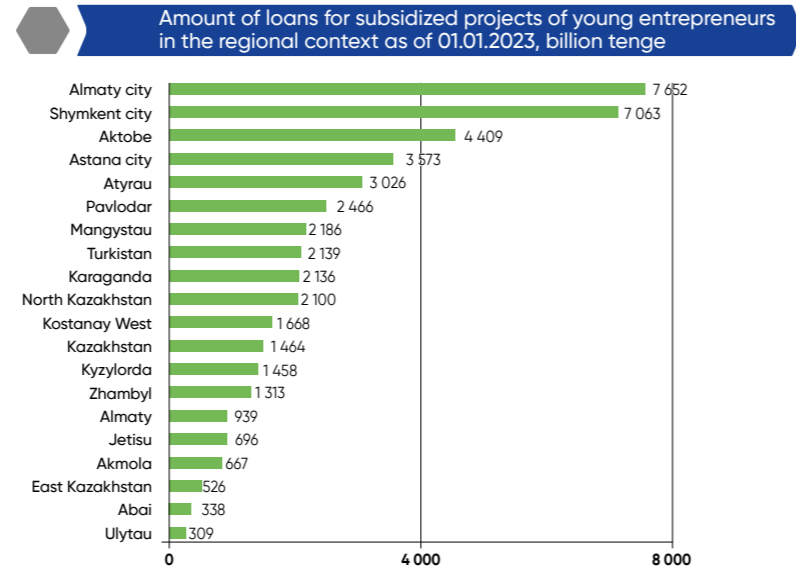
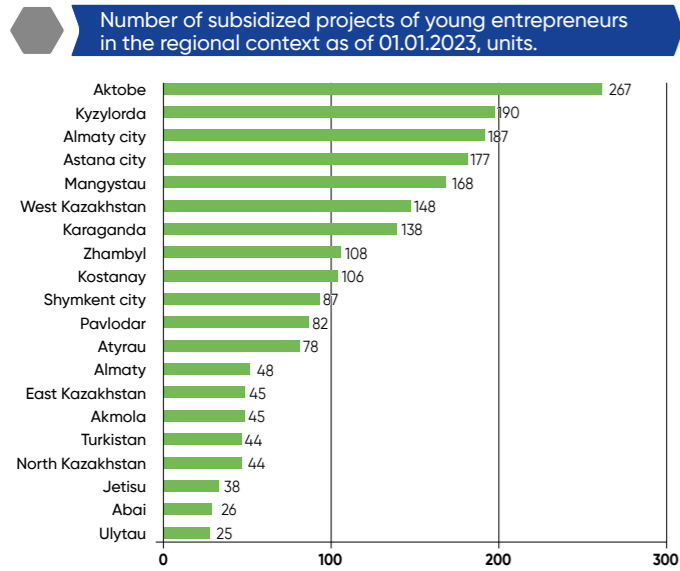


Amount of loans for subsidized projects of women entrepreneurs in the context of financial institutions as of 01.01.2023, million tenge

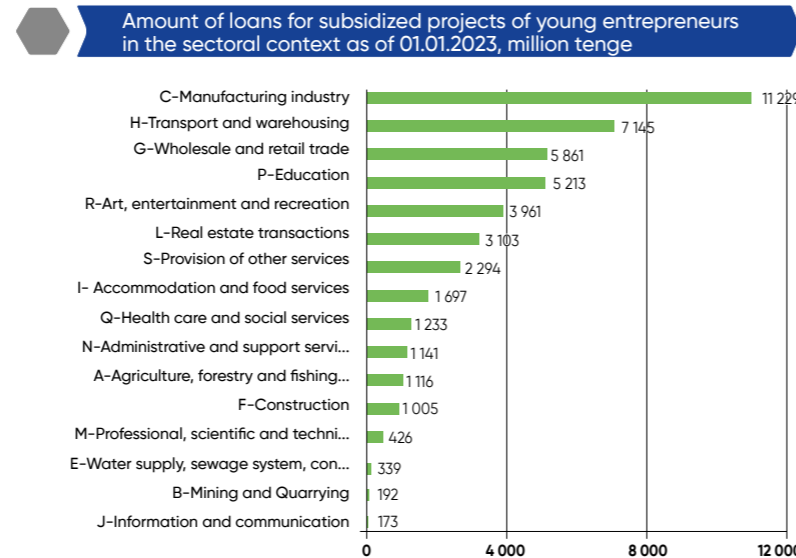
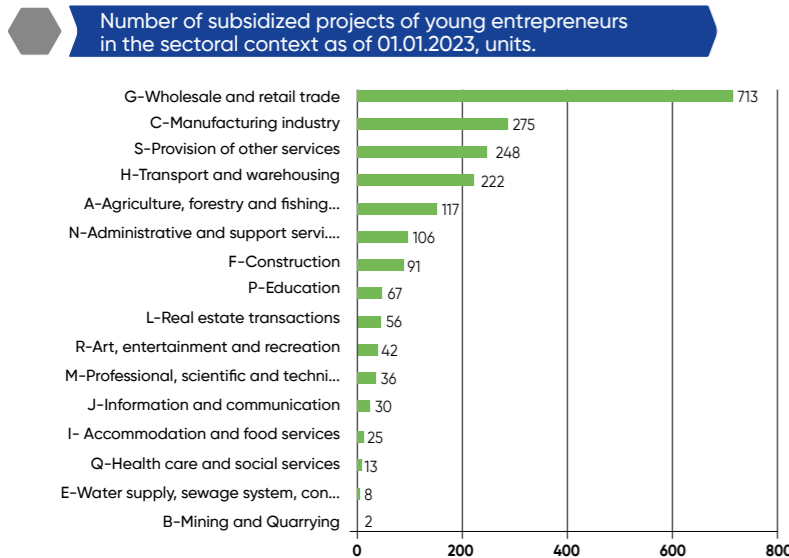


**STATISTICS ON THE PARTICIPATION OF YOUNG ENTREPRENEURS**

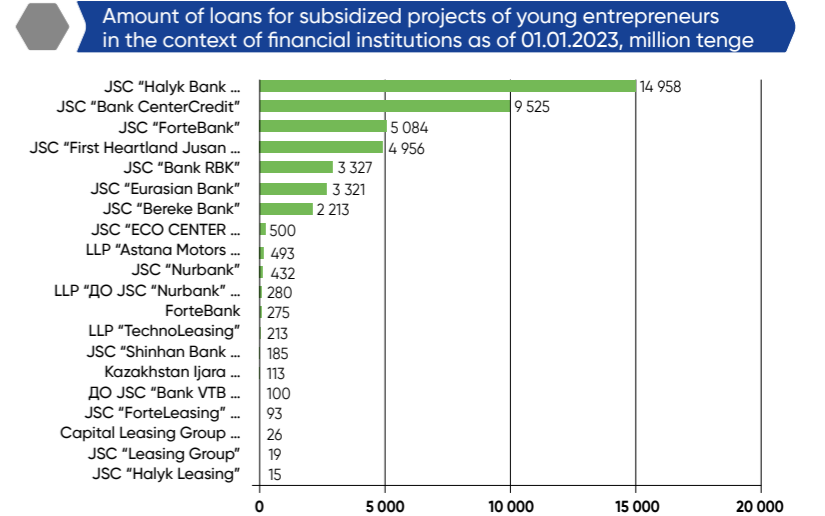
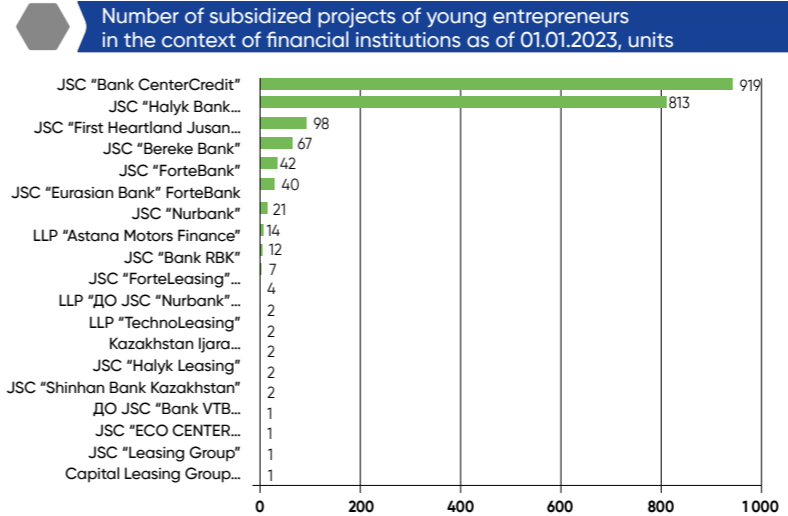
Within the framework of the State Program 2,051 projects of young entrepreneurs up to 29 years old have been subsidized for loans totaling KZT 46,128 million.



At the regional level, the majority of subsidization agreements for young entrepreneurs have been signed in the Aktobe and Kyzylorda regions, Almaty and Astana cities. Almaty and Shymkent cities, Aktobe region and Astana city are the leaders in terms of subsidized loan portfolio. Among the subsidized projects of young entrepreneurs, the predominant share is occupied by projects of the following sectors: wholesale and retail trade, manufacturing industry and provision of other types of services.

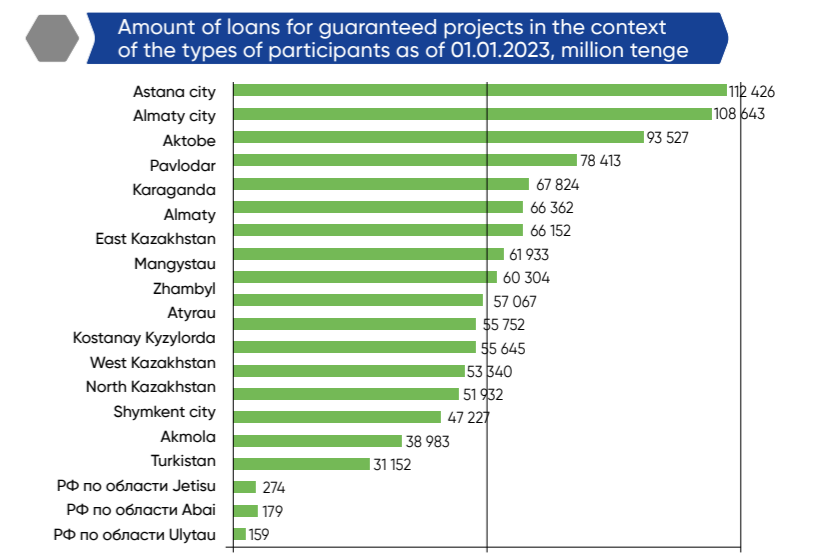
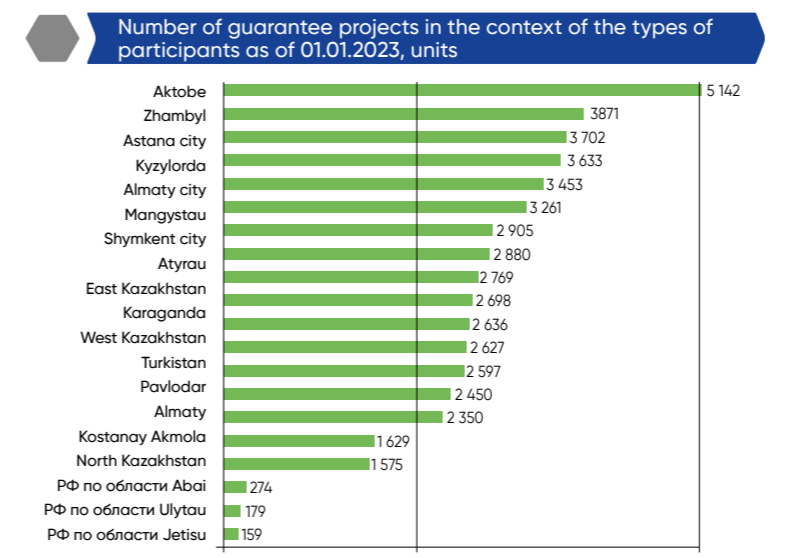


With a breakdown into financial institutions, Bank CenterCredit JSC, Halyk Bank of Kazakhstan JSC, First Heartland Jusan Bank JSC have most actively subsidized projects of young entrepreneurs. Halyk Bank of Kazakhstan JSC, Bank CenterCredit JSC and ForteBank JSC are the leaders in terms of the amount of subsidized projects.



**1.3. PARTIAL LOAN GUARANTEE**

Partial guaranteeing of loans for private business entities is carried out within the framework of the State Program. Similarly to subsidizing, the Fund provides financial agent services to the Ministry of National Economy of the Republic of Kazakhstan. As of January 1, 2023, as many as 50,790 loan guarantee agreements were signed under the State Program for the amount of KZT 1,122,648 million, the amount of guarantees totaling KZT 528,514 million. In particular, 20,610 loan guarantee agreements were signed in 2022 for the amount of KZT 354,652 million, the amount of guarantees totaling KZT 197,117 million.

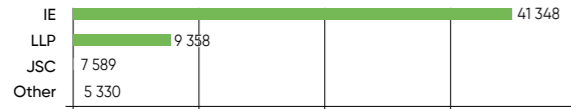


As of January 1, 2023, with a breakdown into regions, the largest number of guarantees was issued to entrepreneurs in the Aktobe region (5,142 projects), Jambyl region (3,871 projects), Astana city (3,702 projects).

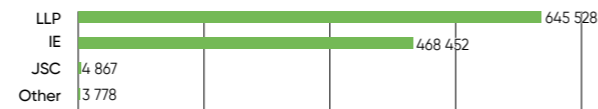
In terms of the amount of loans under guarantees Astana city (KZT 112,426 million), Almaty city (KZT 108,643 million), Aktobe region (KZT 93,527 million) are the leaders.

In terms of organizational-legal form of participants on guaranteeing about 60 % of projects (22,717 projects) have been concluded with individual entrepreneurs and 33 % of projects (7,394 projects) – with companies working in the form of LLP.

Number of guarantee projects in the context of the types of participants as of 01.01.2023, units



Amount of loans for guaranteed projects in the context of the types of participants as of 01.01.2023, million tenge



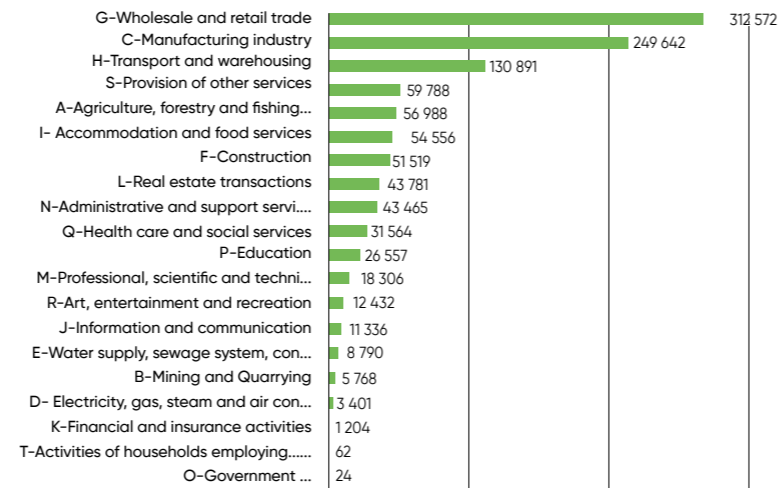
In terms of the amount of loan guarantees, the leading positions belong to the companies working in the form of LLP.

With a breakdown into sectors of the economy, the leading positions continue to be occupied by guaranteed projects in the sphere of trade (21,335 projects with a total loan amount of KZT 249,642 million) and manufacturing industry (6,700 projects with a total loan amount of KZT 312,572 million).

Number of loans for guaranteed projects in the sectoral context as of 01.01.2023, units

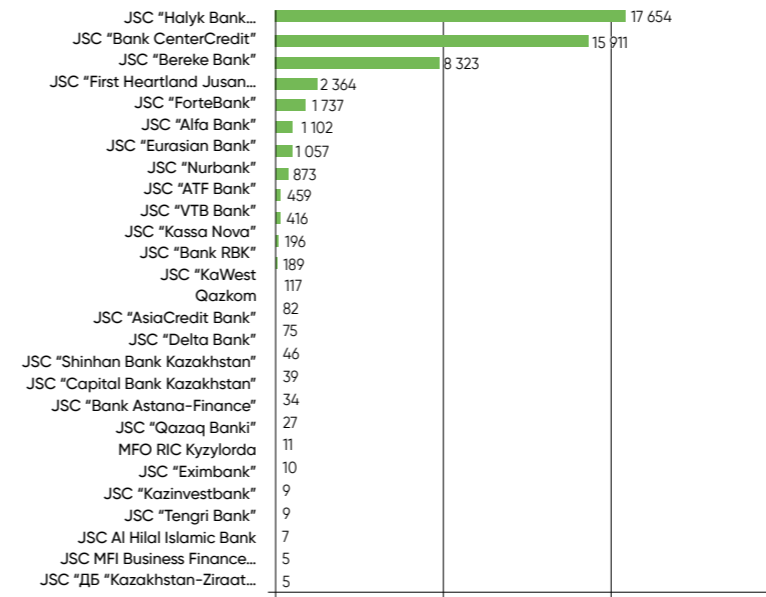


Amount of loans for guaranteed projects in the sectoral context as of 01.01.2023, million tenge

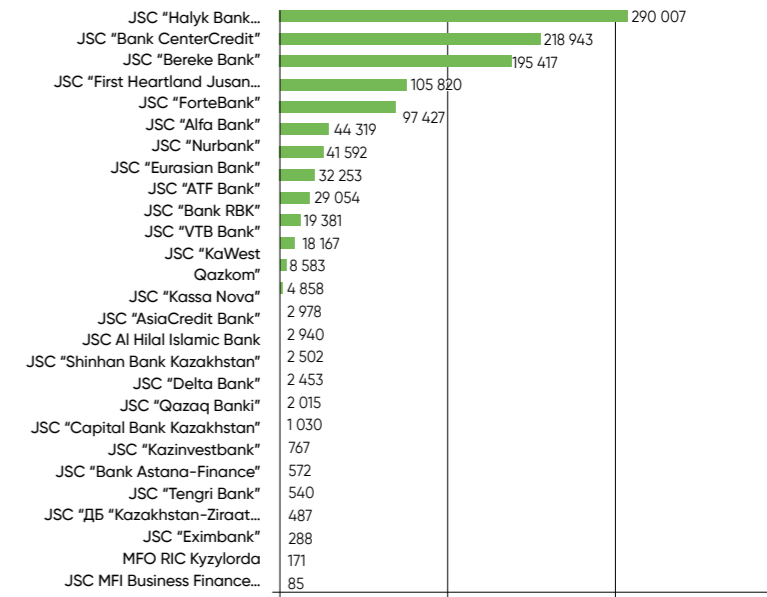


At the same time, for the last 6 years the lowest activity of the Guarantee Program participants has been observed in the "Information and Communication" sector.

Number of guarantee projects in the context of financial institutions as of 01.01.2023, units.



Amount of loans for guaranteed projects in the context of financial institutions as of 01.01.2023, million tenge

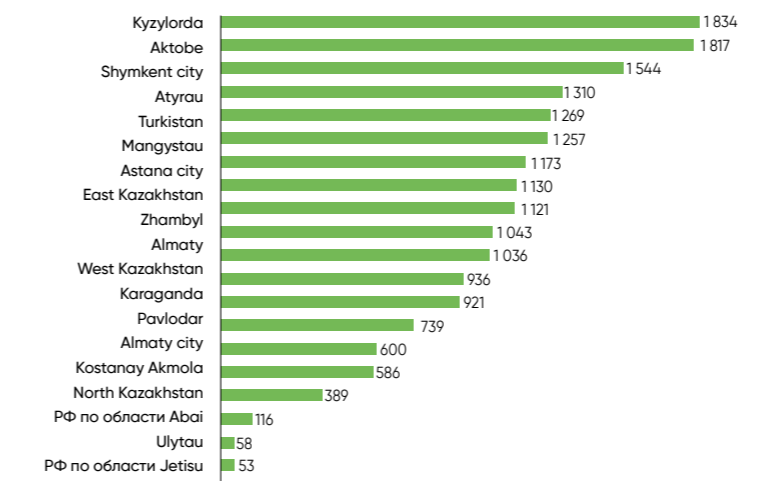


With a breakdown into financial institutions, the leading positions in loan guarantees are occupied by Halyk Bank of Kazakhstan JSC (17,654 projects with a total loan amount of KZT 290,007 million), Bank CenterCredit JSC (15,911 projects with a total loan amount of KZT 218,943 million) and Bereke Bank JSC (8,323 projects with a total loan amount of KZT 195,417 million).

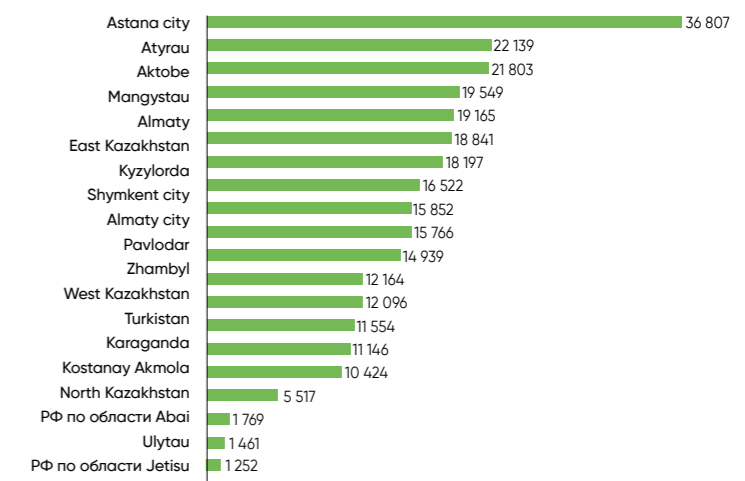
### STATISTICS ON THE PARTICIPATION OF WOMEN ENTREPRENEURS

Within the framework of the State Program, 18,932 projects of female entrepreneurs have received loan guarantees for a total of KZT 286,965 million, the amount of guarantees equaled to 143,879 million KZT.

Number of guarantee agreements with women entrepreneurs in the regional context as of 01.01.2023, units.

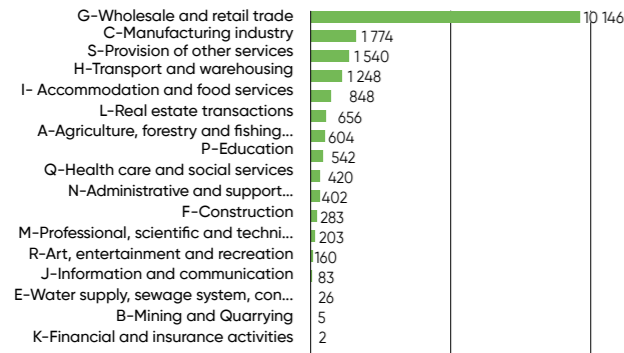


Amount of loans under the guarantee agreements concluded for women entrepreneurs in the regional context as of 01.01.2023, million tenge

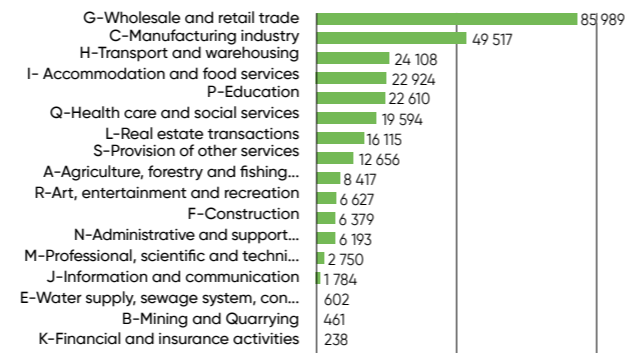


Regionally, the largest number of guarantees has been signed in the Kyzylorda and Aktobe regions and in Shymkent city. The largest amount of loan guarantees for female entrepreneurs has been registered in Astana city, Atyrau and Aktobe regions.

Number of guarantee agreements with women entrepreneurs in the sectoral context as of 01.01.2023, units.

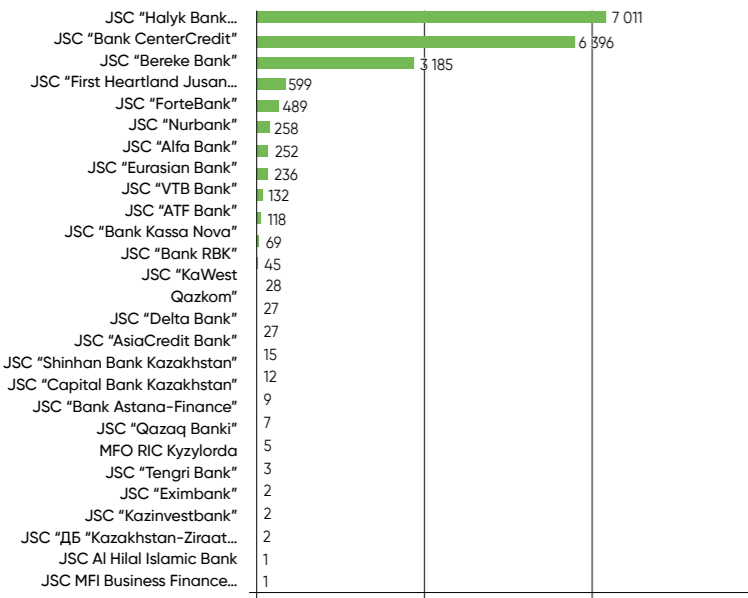


Amount of loans under the guarantee agreements concluded for women entrepreneurs in the sectoral context as of 01.01.2023, million tenge

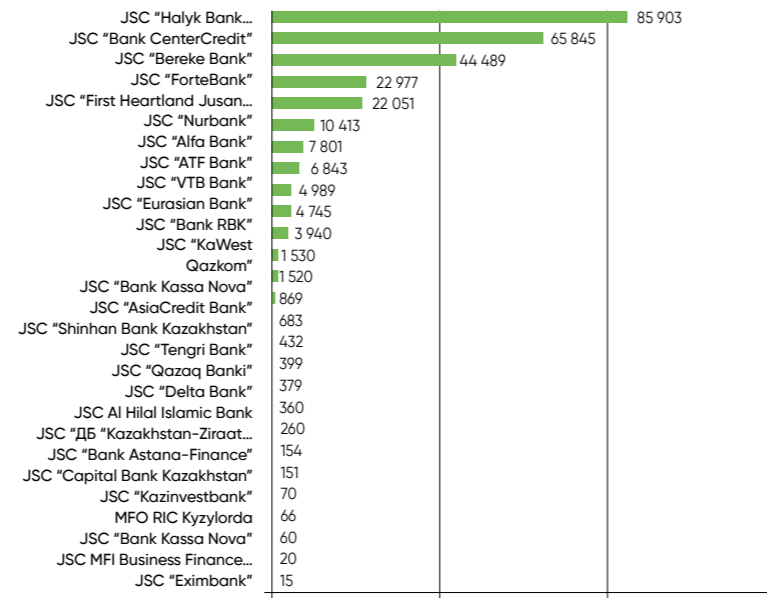


At the industry level, women mainly received guarantees in trade, manufacturing and other services. In terms of the amount of the loan portfolio under the guarantee contracts for women, projects in the sphere of trade, manufacturing industry, transportation and warehousing prevail.

Number of guarantee agreements with women entrepreneurs in the context of financial institutions as of 01.01.2023, units.



Amount of loans under the guarantee agreements concluded for women entrepreneurs in the context of financial institutions as of 01.01.2023, million tenge



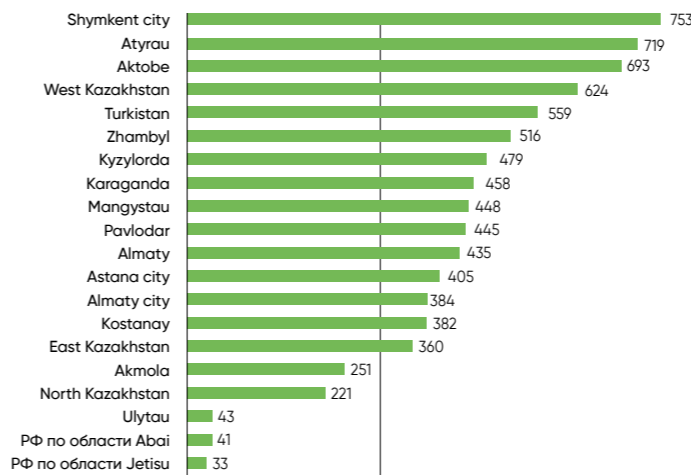
With a breakdown into financial institutions, Halyk Bank of Kazakhstan JSC, Bank Center Credit JSC, and Bereke Bank JSC have been the most active in terms of the number and amount of guarantees provided to women.

STATISTICS ON THE PARTICIPATION OF YOUNG ENTREPRENEURS

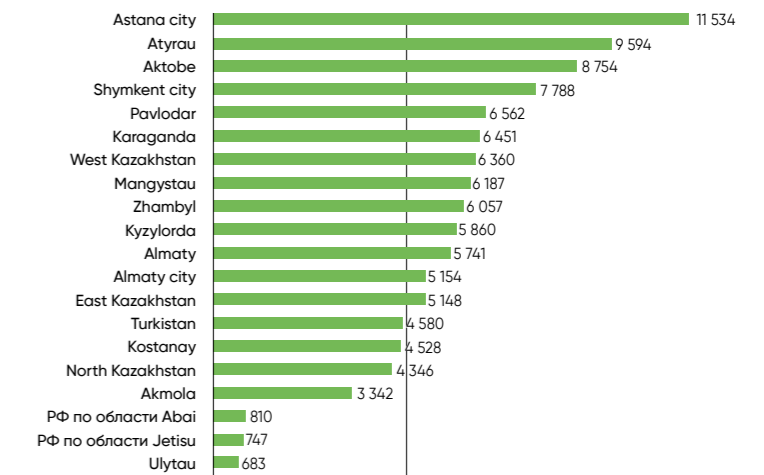
Within the framework of the State Program, 8,249 projects of young entrepreneurs under 35 years of age have received loan guarantees for a total of KZT 110,224 million; the amount of guarantees equaled to KZT 64,629 million.

In the regional context, the largest number of guarantee agreements for young entrepreneurs has been signed in Shymkent city, Atyrau and Aktobe regions. The largest amount of loan guarantee agreements signed by young entrepreneurs was registered in Astana city, Atyrau and Aktobe regions.

Number of guarantee agreements with young entrepreneurs in the regional context as of 01.01.2023, units.

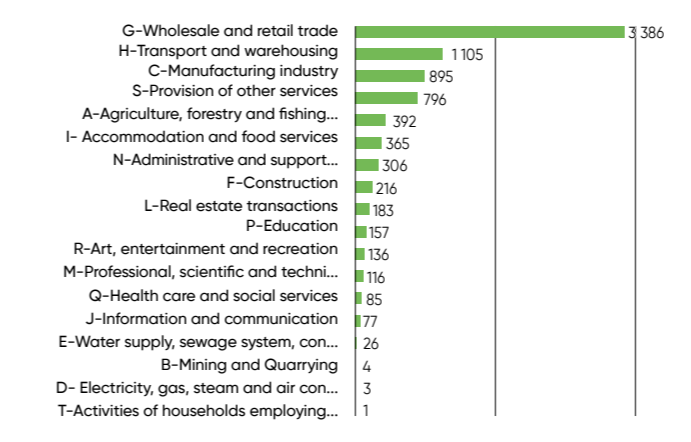


Amount of loans under the guarantee agreements concluded for young entrepreneurs in the regional context as of 01.01.2023, million tenge

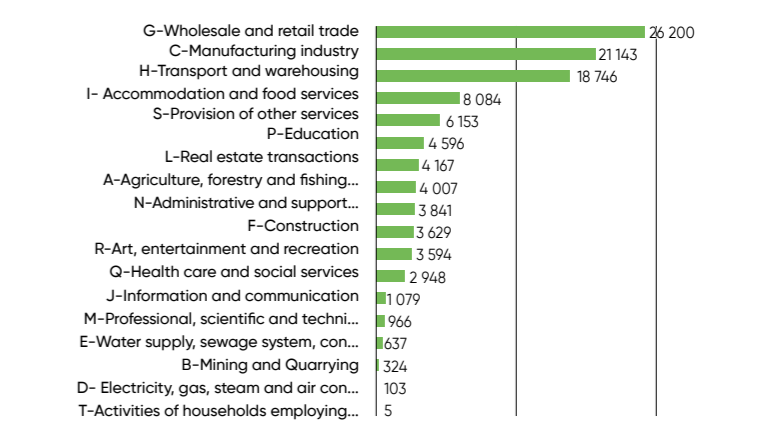


Among the guarantee agreements issued for young entrepreneurs the largest share is occupied by projects relating to trade, transportation and warehousing, and manufacturing industry.

Number of guarantee agreements with women entrepreneurs in the sectoral context as of 01.01.2023, units

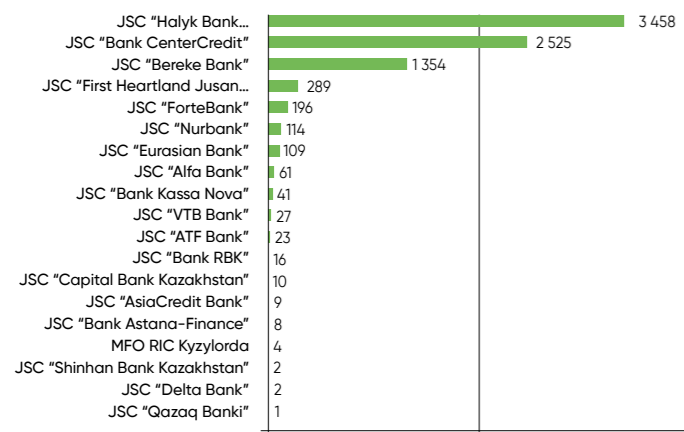


Amount of loans under the guarantee agreements concluded for women entrepreneurs in the sectoral context as of 01.01.2023, million tenge

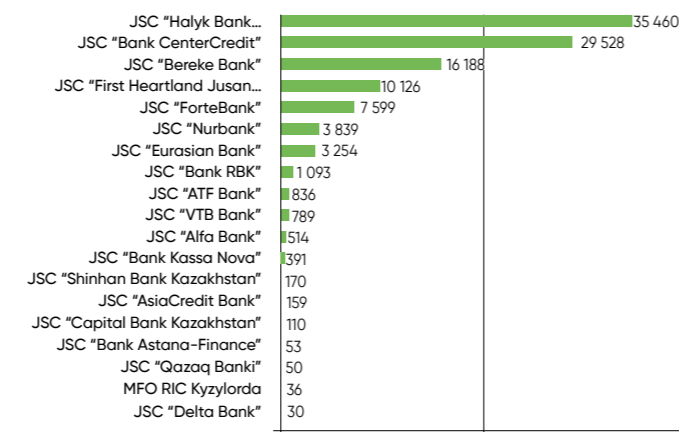


With a breakdown into financial institutions, the largest number of loan guarantees for young entrepreneurs has been signed by Halyk Bank of Kazakhstan JSC, Bank Center Credit JSC and Bereke Bank JSC. Halyk Bank of Kazakhstan JSC, Bank Center Credit JSC and Bereke Bank JSC are the leaders in terms of the amount of the loan portfolio under the signed agreements on guarantees for young people.

Number of guarantee agreements for young entrepreneurs in the context of financial institutions as of 01.01.2023, units.



Amount of loans under the guarantee agreements concluded for young entrepreneurs in the context of financial institutions as of 01.01.2023, million tenge



## 2. CUSTOMER SERVICE

In parallel with the programs of financial support in 2022, the Fund continued its work on the implementation of training programs and information and consulting support for entrepreneurs.

### 2.1 Monitoring of business support services and training for top management of SMEs

The Fund continues to monitor the "Provision of service support for existing business activities" component under the "National Project for Entrepreneurship Development for 2021–2025" program.

In 2022, 23,044 SMEs applied for service support services and received 27,732 pieces of service.

### 2.2 Creating conditions for qualitative development of domestic entrepreneurship

Internet resources of the Damu Fund

In 2022, the Fund's corporate website developed a functionality for auto-selection of programs based on the geolocation of the website user. The corporate portal contains information on state support measures for business provided by Damu Fund, as well as analytical information and up-to-date reporting on the Fund's programs.

In 2022, the corporate website achieved the following results: number of views – 2,470,000, number of visitors – 607,100, number of online consultations – 8,310.

Since 2019, the product website online.damu.kz has been operating, designed to support services in an online format. After submitting an application, an entrepreneur can independently track its status on the website in a personal cabinet, as well as receive text notifications as the application progresses.

In 2022, the product website achieved the following results: number of views – 889,300, number of visitors – 209,300, number of online consultations – 15,162.

The website of the exhibition of domestic producers UltyqOnim is functioning. The site contains information about the terms and conditions of the exhibition, media gallery, as well as the ability to book a booth online.

### Call-center

Also, the Call Center of the Fund continues its work – the center of processing of appeals of entrepreneurs and individuals and informing through various communication channels. In 2022, 38,272 clients were consulted by the employees of the Fund's Call Center. In order to provide consultations, 8,891 outgoing calls were made and 2,368 return calls were processed. 23,512 online applications as well as 6,844 offline requests have been received via the pop-up window on the Fund's corporate website.

### Distance learning

In 2022, the Fund launched distance learning in the form of a video platform containing training courses for existing and aspiring entrepreneurs with many different presentations of successful Kazakhstani and international entrepreneurs, divided into blocks on certain topics. During the reporting year, 2,827 people were registered on the Fund's distance learning platform.

### 2. Promotion of entrepreneurship

Exhibition of Kazakhstan manufacturers "ULTTYQ ÓNIM" (Marketing Department)

Since 2015, the Damu Fund has been holding an annual exhibition of Kazakh manufacturers who received state support "ULTTYQ ÓNIM" (hereinafter – the Exhibition). The Exhibition is one of the channels of popularization of goods of Kazakhstani manufacturers among the population and informing private entrepreneurs about the measures of state support provided by Baiterek National Management Holding JSC.

The number of participants of the Exhibition increases annually – from 80 companies that received state support in 2015 to 475 companies, as well as the number of visitors, amounting to more than 13,000 people in 2019. In 2021, due to the pandemic, the Exhibition was not held, and in 2022 the number of visitors amounted to about 20,000 people.

The Exhibition offers free master classes on business development and increasing sales, tastings, contests, fashion shows. Development institutions stands are organized to provide consultations on state support measures for potential and existing private business entities. Participation in the exhibition is free of charge for companies, the costs of organizing and holding the exhibition are entirely at the expense of the organizers.

### INTERNATIONAL COOPERATION

In 2022, the Fund continued to expand cooperation with international financial institutions and foreign organizations. In particular, – participated in 7 national conferences: the Second Regional SDG Summit – Beyond COVID – Towards a Just Recovery in Central Asia, Astana Finance Days 2022 conference with various panel sessions (Opportunities and Challenges of Islamic Banking for the CIS region, National ESG Club as a Platform for Business Transformation, Strengthening the SME Sector in Kazakhstan Through the Active Inclusion of Women in the Country's Economy), 10th Congress of Financiers of Kazakhstan – ESG financing, Promoting Green Finance for SMEs, round table organized by the UNDP on the issues of SMEs' access to green finance;

– work on interaction with international rating agencies Moody's and Standard & Poor's was carried out. Moody's International confirmed long-term credit ratings on liabilities in foreign and local currency at Baa3 level (stable). However, in September 2022, the international rating agency S&P Global Ratings revised the outlook on the rating of the Fund from "stable" to "negative" in view of the revision of the outlook on the ratings of the Republic of Kazakhstan from "stable" to "negative", confirming the long-term and short-term credit ratings of the Fund on liabilities in foreign and local currency at the level of "BBB-/A-3". The negative outlook on the Fund's ratings reflects a similar outlook on the sovereign ratings;

– the Fund took part in 4 official significant events, such as: International Industrial Exhibition INNOPROM in Yekaterinburg city; Regional Forum "Green Economy – 2022" in Bishkek city, "Exchange of Best Practices on SME Support and Evaluation Mechanisms" KOSGEB in Ankara city, online; Forum of Interregional Cooperation between the Republic of Kazakhstan and the Russian Federation on the "Development and Support of Youth Business Projects" session in the city of Orenburg.

– 2 online workshops have been organized for women entrepreneurs in small and medium-sized businesses within the framework of the Female in Business Program, implemented with the support of Bank CenterCredit JSC, MFO KMF, Arnur Credit MFO and the European Bank for Reconstruction and Development (EBRD), as well as the Frankfurt School of Finance and Management.



## 5.

## NEW TOOLS FOR SUPPORTING SMALL AND MEDIUM-SIZED ENTERPRISES

The National Entrepreneurship Development Project for 2021–2025, adopted by Government Decree No. 728 dated 12 October 2021, is targeted at encouraging MSMEs to maintain existing and create new permanent jobs, increase domestic production as well as at making financing more available. The program provides for several directions:

**Direction: "Support for micro- and small enterprises"** provides entrepreneurs with financial support measures in the form of portfolio subsidies for a portion of the interest rate/mark-up on the product, which constitutes the income of an Islamic bank, and partial guarantees on loans/microcredits issued by second-tier banks, Islamic banks and microfinance organizations. Provided without sectoral restrictions, except for trade (food trade is allowed).

The maximum limit per borrower amounts to KZT 20 million.

Subsidies are granted for loans/leasing/financing with a nominal interest rate not exceeding the NBRK base rate plus 7%, of which 6% is paid by the entrepreneur, and the difference is subsidized by the State.

The period of portfolio subsidies for investment purposes equals to 3 years, for working capital financing – 2 years without the right of further prolongation.

As for the guarantee instrument, the amount of the portfolio partial guarantee makes 85% of the loan/microcredit amount and the guarantee period shall not exceed the loan/microcredit period.

**Direction: "Support for entrepreneurs/industrial and innovative entities". Projects in priority sectors of the economy are being considered.**

The participants of this direction are the entrepreneurs/industrial and innovative entities implementing and (or) planning to implement their own and effective projects in priority sectors of the economy according to the list specified in the annex to the Subsidising Rules, without taking into account the place of registration of an entrepreneur. At the same time, without sectoral restrictions, but taking into account the place of implementation and registration of an entrepreneur, we consider projects performed in settlements, including mono- and small towns, rural settlements, except for cities of republican significance/regional centers. However, socially oriented business projects are implemented without sectoral restrictions and without regard to the place of registration and implementation of a project.

The amount of loan/leasing/financing under which part of the interest rate/ mark-up on goods/part of the lease payment is subsidized may be up to KZT 3 billion per entrepreneur in accordance with the list of priority sectors of the economy.

The threshold of subsidized part of the interest rate/mark-up on goods/lease payment: the base rate of the National Bank of the Republic of Kazakhstan + 5%, of which 6% is paid by an entrepreneur and the difference is subsidized by the State.

The period of subsidies for investment projects is up to 5 years, for working capital financing – up to 3 years.

As for the guarantee instrument, the amount of the loan/leasing related to the projects shall not exceed KZT 360 million. For entrepreneurs engaged in projects in mono-, small towns and rural settlements within the framework of priority sectors of economy, the loan/leasing amount shall not exceed KZT 1 billion.

With regard to the guarantee, the loan amount under the project shall be not more than KZT 1 billion for existing entrepreneurs and not more than KZT 360 million for start-ups.

Guarantees shall not exceed the following values:

- 85% of the loan amount up to KZT 360 million;
- 70% of the loan amount up to KZT 600 million;
- 50% of the loan amount up to KZT 1 billion.

The guarantee period shall not exceed the loan period.

**Direction "Regional financing of small and medium-sized private enterprises" (added in 2022)** aimed at financing of small and medium-sized enterprises shall be implemented in socially vulnerable regions or during the introduction of a state of emergency/ extraordinary situation, or in other cases upon written agreement of the local executive body with the authorized entrepreneurial body.

The amount of a subsidized loan shall not exceed KZT 500 million for one small and medium-sized enterprise. The maximum financing limit for MFOs per one small and medium-sized enterprise entity is not more than 8,000 (eight thousand) MRPs (minimum calculation index).

Subsidies are provided for loans/microcredits with a nominal interest rate not exceeding 8.5%, of which the difference is paid by a small and medium-sized business entity according to a written agreement between the financial agency and the local executive body. However, the interest rate paid by SMSEs shall not be less than 1 per cent per annum.

The period of subsidies is 5 (five) years, for working capital financing – 3 (three) years without the right of further prolongation.

**In 2022, the Fund supported the following activities under the National Project:**

– under subsidy instruments, 5,756 projects of MSMEs for the loan portfolio totaling KZT 599.5 billion were supported, with KZT 116.4 billion of subsidies paid out. Separately, under portfolio subsidies, 18,552 projects were supported in the amount of loans of KZT 132.6 billion, with KZT 11.1 billion paid out;

– under the guarantee instrument, 2,952 projects were supported for the loan portfolio totaling KZT 225.1 billion, with the guarantee amounting to KZT 88.2 billion. Separately, under the portfolio guarantee, 17,658 projects were supported for the loan portfolio totaling KZT129.6 billion, with the guarantee amounting to KZT108.9 billion.

Additionally, in 2022, in order to form an alternative channel for financing SMSEs at the expense of private and institutional investors on the platforms of KASE/AIFC within the framework of the National Entrepreneurship Development Project for 2021–2025, the instrument of guaranteeing bonds issued by SMSEs was introduced. The main idea of the new product is to develop effective methods of financing of private businesses at the expense of private and institutional investors, development of instruments of the stock market of Kazakhstan through the introduction of the mechanism of providing guarantees as an instrument of state support of entrepreneurs on issued corporate bonds on the platforms of KASE and AIFC as an alternative channel of financing the economy.

### ECONOMY OF SIMPLE THINGS

Resolution of the Government of the Republic of Kazakhstan dated 11.12.2018 No. 820 approved the mechanism for lending to priority projects within the framework of ensuring long-term tenge liquidity to solve the problem of affordable lending (hereinafter – Mechanism).

The Mechanism is intended to support private entrepreneurship through interest rate subsidies and partial guarantees. Since the

end of 2021, the Mechanism has been included in the National Entrepreneurship Development Project for 2021–2025. The intended purpose of the funds is to provide loans to entrepreneurs engaged in manufacturing and processing services in the agro-industrial complex with the aim of investing and working capital financing. Working capital financing is allowed on a revolving basis.

Subsidization of projects is carried out on loans/leasing transactions with the following nominal interest rate: base rate of the NB of RK + 4.5 %, of which 7 % is paid by the private business entity and the difference is subsidized by the state.

Maximum loan/leasing amount is not limited.

The period of subsidies: for investment projects – up to 5 years, for working capital financing – up to 3 years.

Under the guarantee instrument, the guarantee amount within one borrower's project shall not exceed 50 % of the loan amount up to and including KZT 1 billion.

Loans with a nominal interest rate of the NBRK base rate + 4.5 % per annum are subject to guaranteeing. The guarantee period shall not exceed the loan period.

In 2022, the Fund supported the following number of projects under the Mechanism:

- under subsidy instruments, 177 projects were supported for the loan portfolio amounting to KZT 260.5 billion, and the amount of subsidies paid out totaled KZT 54.1 billion;

- under the guarantee instrument, 40 projects were supported for the loan portfolio amounting to KZT 11.1 billion, with the guarantees totaling KZT 4.9 billion.

In 2022, with respect to subsidy and guarantee instruments, all changes were aimed at stimulating MSMEs to maintain existing and create new permanent jobs, increase the production level of domestic enterprises and make financing more available. In particular,

- under the National Entrepreneurship Development Project for 2021–2025:
  1. Provision is made for refinancing of loans for projects issued under other government programs and programs implemented by the Fund within a period of more than 2 years.
  2. Under the subsidy instrument, the maximum loan amount for entrepreneurs in mono-, small towns and rural settlements within priority sectors of the economy is increased to no more than KZT 3 billion.
  3. Under the guarantee instrument, the maximum loan amount for entrepreneurs in mono-, small towns and rural settlements within priority sectors of the economy is increased to no more than KZT 1 billion.
  4. There are restrictions on the places of implementation and registration:
    - projects in priority sectors of the economy are considered without regard to the place of registration of an entrepreneur;
    - projects carried out in settlements, including mono- and small towns, rural settlements are to be implemented without sectoral restrictions, taking into account the place of implementation and registration of an entrepreneur.
  5. Under the subsidy instrument, the nominal rate of interest has been set for projects in Shymkent city, Turkestan, Mangistau, Atyrau, Aktobe, West Kazakhstan, Kyzylorda, Jambyl regions, including their regional centres – the NBRK base rate + 5 %, of which 5 % shall be paid by an entrepreneur, and the difference shall be subsidised by the state.
  6. Under the guarantee instrument, the loan amount for projects in Shymkent city, Turkestan, Mangistau, Atyrau, Aktobe, West Kazakhstan, Kyzylorda and Jambyl regions, including their regional centres shall not exceed KZT 360 million, the guarantee amount shall not exceed 85 % of the loan amount.

- under the Mechanism:
  1. Under subsidy and guarantee instruments, the nominal interest rate is set at the NBRK base rate + 4.5 % per annum, of which 7 % shall be paid by the family and private enterprises, and the difference shall be subsidised by the state.

2. Under the subsidy and guarantee instruments, loans can be refinanced through authorised second-tier banks.
3. The period of subsidies for investment loans has been reduced to 5 years.

#### ISLAMIC FINANCING PROGRAM FOR SMALL AND MEDIUM-SIZED ENTERPRISES

One of the strategic directions of the Damu Fund operations is the introduction of financing instruments in accordance with the Islamic principles and standards of finance.

As part of this strategic objective, the Damu Fund at its sole cost and expense launched the Islamic finance program in 2020.

Funds under the Program are used for Islamic finance promotion, providing SMEs with additional financing opportunities and access to new banking products.

Financial support is provided to SMEs operating and implementing projects in accordance with Sharia law and meeting the requirements of the Fund's program. Funds are channelled to SMEs through second-tier Islamic banks and leasing companies.

The Sharia prohibits granting a loan at a lending interest or receiving any remuneration from a borrower. The Sharia prohibits profligacy. Money in Islamic finance can only be used as the measure of the value of commodities and not as the commodity itself. Sharia permits the sale of a commodity or asset with instalment payments and the addition of a mark-up on the commodity. In Islamic finance, money is used to buy and sell real assets. The Damu Fund partners mainly use two financing instruments: credit (murabaha) and ijarah. In the case of murabaha, a borrower ultimately receives cash, while ijarah is an analogue of traditional leasing.

Another difference between Islamic credit organisations and traditional ones is that it is forbidden to take advantage of a debtor's plight to obtain additional benefits. The Quran advises to give a delay until the situation of a borrower improves and encourages forgiveness of debts. That is why organizations do not impose sanctions, fines, penalties, charges on clients. Those who overdue payment on instalment or mortgage loans will not be bothered by collectors and courts. The only thing is that the client will be obliged to make a donation to charity if they default on the loan. It is this gentle attitude that attracts people, encouraging them to borrow from Islamic lending organizations.

Financing conditions for SMEs under the program:

- 1) financing schedule:
  - for investment purposes – up to 84 months in Islamic banks, up to 60 months in Islamic leasing companies;
  - for working capital financing – up to 36 months in Islamic banks, up to 24 months in Islamic leasing companies;
- 2) maximum lending limit is set by the bank/leasing company;
- 3) profit rate:
  - not more than 16.5 % p.a. in Islamic banks;
  - not more than 17.5 % p.a. in Islamic leasing companies.

In 2021, the Damu Fund placed funds with Islamic finance companies totalling KZT 3.7 billion. During the year, they financed 50 SMEs for a total amount of KZT 9.2 billion. In total, 72 MSMEs have been financed since the start of the program for a total amount of KZT 20.6 billion.

#### CONDITIONAL PLACEMENT PROGRAMS

In March 2021, a new Program of conditional placement of funds in STBs/MFOs for subsequent financing of MSMEs was launched under the UNDP-GEF project "Reducing Risks of Investing in Renewable Energy Sources (RES)". The program is funded from the money raised in 2020 through the issuance of green bonds by the Damu Fund with the participation of UNDP. The program provides financial support for new and/or existing SME "green" projects including: renewable energy sources, energy efficiency,

pollution prevention and control, sustainable management of living natural resources and land use, preservation of terrestrial and aquatic biodiversity, eco-friendly transport, sustainable water and wastewater management, climate change adaptation, environmentally efficient and/or adapted zero-waste economy products, production technologies and processes, "green" buildings that meet regional, national or internationally recognized standards or certifications.

In addition, in 2021, the Damu Fund raised funds through the issue of social bonds in the amount of KZT 1 billion. The raised funds are focused on the implementation of social tasks: financing of micro, small and medium-sized enterprises through STBs/MFOs and/or RK in the conditions of pandemic COVID-19 with the possibility of preserving and/or creating jobs, carrying out activities based on the list of activities according to Annex 1 to Resolution No. 224 of the Government of the Republic of Kazakhstan dated 20 April 2020. The funds have been co-financed with the Fund's own resources in the ratio of 1:1. The total pool of funds in the amount of KZT 3 billion was placed with Bank RBK JSC at the end of 2021.

**At the same time, during the year, the Fund reorientated some of its products for conditional placements of funds:**

- under programs financed by the National Fund of the Republic of Kazakhstan (NF 1, 2, 3 tranches) the maximum funding limit per SME was increased from KZT 1,850 million to KZT 3,600 million, the funding limit for start-up SMEs was increased from KZT 20 million to KZT 60 million, the list of food industry sectors for which funding is provided without limitation on the amount was enlarged (introduced on the basis of amendments to the Government Decree dated 21.09.2021);

- within the framework of the Fund's Islamic Finance product, it is now possible to pledge property rights (claims) to the leasing portfolio;

- the factoring program, which now provides for the participation of leasing companies as Partners, 5 years increased loan period for SMEs, has been revised downwards to a lower loan rate for entrepreneurs;

- under the Fund's product "Damu Leasing" (hereinafter – the Program for LCs), the list of loan purposes and leasing objects was expanded – the list now includes buildings, structures, machinery, land plots, and the types of vehicles were added: railway and air transport. In addition, a minimum tranche amount and a ban on the purchase of luxury cars have been established. A variable pricing model has been introduced under the Program for LCs. The Fund's rating model for assessing the creditworthiness of LCs has been updated, qualitative and quantitative indicators of the rating model have been revised to bring it in line with market conditions;

- The Damu Micro product (hereinafter referred to as the MFO Program) has a minimum tranche amount and a ban on the purchase of luxury cars has been set to comply with the requirements of the Entrepreneurial Code. A variable pricing model has been introduced under the MFO Program. The rating model for assessing the creditworthiness of MFOs has been updated and the qualitative and quantitative indicators of the Fund's rating model have been revised to bring them in line with market conditions.

**Financing of factoring transactions of MSMEs was resumed in 2022.**

The Program for regional financing of SMEs (Targeted Regional Programs) now includes a factoring instrument, so that factoring transactions can be financed on preferential terms: the loan period shall not exceed 36 months, in the case of lending through MFOs on factoring transactions, the loan amount has been increased to 20,000 MCI (Monthly Calculation Index)(in exceptional cases based on the decision of the authorized body of the Damu Fund), leasing companies can also be factoring partners. At the end of 2022, funds amounting to KZT 1 billion were placed within the framework of the program at Bank CenterCredit JSC.

Besides, the separate Program "Damu-Factoring" has been modified to provide for the participation of microfinance organizations; the maximum loan amount for MSMEs has been increased up to KZT 500 million through STBs/LCs and up to 20,000 MCI through MFOs, the interest rates on loans to MSMEs through MFOs/LCs have been revised with recourse – the rate of placement on the Partner increased to no more than 12 % per annum, without recourse – the rate of placement on the Partner increased to no more than 13 % per annum. At the end of 2022, funds totaling KZT 1 billion have been placed under this program in MFO "KMF" LLP.

In 2021, the Fund raised money through the issue of social bonds in the amount of KZT 1 billion. The raised funds are targeted at the implementation of social tasks: financing of micro, small and medium-sized enterprises through STBs / MFOs and / or RK in the conditions of pandemic COVID-19 with the possibility of preserving and / or creating jobs, carrying out operations based on the list of activities according to Annex 1 to Resolution No. 224 of the Government of the Republic of Kazakhstan dated 20 April 2020. The funds are co-financed with the Fund's own resources in the ratio of 1:1. The total pool of funds in the amount of KZT 3 billion was placed with JSC "Bank RBK" at the end of 2021. During 2022, these funds were used to finance 8 MSMEs (31 loans) totaling KZT 3.1 billion.

Additionally, during the year, the Fund reoriented certain products related to the conditional placement of funds:

- under the Damu-Leasing Program: the minimum loan amount per Partner has been set;

- under the Damu-Micro Program: the minimum loan amount per Partner has been set, the ban on purchase of passenger cars with market value over 3500 MCI has been added.

In 2022, the Fund continued implementing the project "Regional Financing of Small and Medium-Sized Enterprises" (hereinafter – the Program). The Program is focused on financing SMEs of a certain region/city. The idea of the Program is the joint allocation of funds by Akimats (hereinafter – Local Executive Authorities) and the Fund to finance entrepreneurs.

In 2022, in the framework of the Program, funds from Local Executive Authorities of Almaty, Astana, Shymkent cities and Aktobe, East Kazakhstan, Karaganda regions were raised on the terms of co-financing in the amount of KZT 4.366 billion.

**INFORMATION TECHNOLOGY DEVELOPMENT IN THE FUND**

In 2022, the IT department of the Fund actively worked on the digitalization of the Fund's core business processes.

A digital service for receiving and transmitting data from STBs relating to applications for micro- and small business support under the portfolio subsidy and guarantee instruments under the National Project has been launched, which has made it possible to reduce the period of issuing a guarantee obligation. The digitised file of the guarantee obligation is also transmitted to the STB using the web-service.

Additionally, in 2022, the Fund's information system was integrated with the "Kompra" service, which digitised the process of verifying the reliability of counterparties under guarantee applications.

At the same time, work on automation and digitalization of the Fund's business processes continued in 2022. Following the results of 2022, the level of automation reached 100 %, and the following key projects were implemented:

- 1) Corporate Data Warehouse (DHW) was set up;
- 2) the "DAMU Check-up online" application was introduced;
- 3) the Fund launched the process of digital data exchange on the 1st direction of DKB-2025 (now the National Project) with STBs;
- 4) the rating model in the IS BPM online sales was introduced;
- 5) electronic signing of guarantee agreements with legal entities/individuals, and agreements on cancellation of guarantees was put into action.

## GLOSSARY

1. Entrepreneur – a small and (or) medium-sized business entity, carrying out its activities in accordance with the Entrepreneurial Code of the Republic of Kazakhstan
2. SMEs – small and medium-sized enterprises
3. SME – small and medium entrepreneurship
4. SMEs – small and medium-sized business entities
5. SMME – Small, Medium & Micro Enterprises
6. STB – second-tier bank
7. LEB – local executive bodies
8. NB RK – National Bank of the Republic of Kazakhstan
9. CIT – Corporate Income Tax
10. GVA – gross value added
11. GRP – gross regional product
12. GDP – gross domestic product
13. MFO – microfinance organizations
14. LC – leasing companies
15. SC – Service Center
16. GP – government program
17. BR – Business Roadmap
18. Subsidies agreement – a tripartite written agreement concluded between a financial agency, a bank / leasing company and an entrepreneur, under which the financial agency partially subsidizes the interest rate on the entrepreneur’s loan / leasing issued by the bank / leasing company in the form approved by the authorized body on entrepreneurship
19. Guaranteeing – a form of state support for entrepreneurs, provided in the form of a partial guarantee as security for the fulfillment of obligations under an entrepreneur’s loan, on the terms of the Program and in accordance with the guarantee agreement
20. The program of conditional allocation of funds (PCAF) is one of the instruments for implementing state policy on financial support of small and medium-sized businesses in the Republic of Kazakhstan. It is implemented through providing the second-tier banks with the Fund’s financial resources (funding) on certain (targeted and restrictive) conditions for subsequent lending to SMEs. At the same time, one of the basic principles of working with partner banks is the policy of non-interference in their internal procedures and the lending process on the part of the Fund, as well as their full responsibility for the risks of decisions made