BAITEREK

DAMU
ENTREPRENEURSHIP
DEVELOPMENT FUND

CONDITIONS OF THE GUARANTEE FUND MECHANISM

KEY CHANGES OF SMEs SUPPORT

Creation of two Guarantee funds

- For projects no more than **7 billion tenge**
- For large projects

PRIORITY INDUSTRIES

GUARANTEE FUND 1

The list includes over 60 General Classifier of Economic Activities codes, covering a wide range of industries. Key areas:

- **Manufacturing** – the largest sector, including food, textile, pharmaceutical, mechanical engineering, metallurgy, and others.
- **Transportation and logistics** – including freight transportation, warehousing, and postal services.
- **Agriculture and fisheries** – excluding certain crops.
- **Services** – in the fields of IT, education, healthcare, architecture, and auditing. The list focuses on supporting manufacturing, infrastructure, and social services.

GUARANTEE FUND 2

- **Manufacturing industries, Mining, subject to further processing of extracted/mined materials,**
- **Agro-industrial complex (AIC),**
- **Creation and/or development of infrastructure facilities in the following industries:**

  - energy
  - power supply
  - heat supply
  - water supply and sanitation
  - communications
  - transport
  - tourism
  - healthcare and education

- **as well as related infrastructure**

01 GUARANTEE (GUARANTEE FUND 1)

Guarantee Fund Products 1:

- Loans
- Contingent liabilities
- Leasing
- Forward contracts

Basic conditions:

Target group

- Private business entities

Amount of funding:

- **Not more than 7 billion KZT**

Goal:

- Investments
- Working capital
- Refinancing

Creditors

- Second-tier banks, leasing companies, Subsidiaries of the national investment holding “Baiterek”, National company Food contract corporation JSC

Sources of the Fund's funds:

- The Fund's own funds
- Annual contributions of the second-tier banks
- Funds of the Government of the Republic of Kazakhstan
- Contributions of other legal entities

General Classifier of Economic Activities:

- Priority industries
- Non-priority industries

the ratio is established by agreement between the Financial Agency and the creditor

Guarantee amount: Up to **85%** of the financing amount up to 3,5 billion KZT

Warranty period: **+ 5 months**

Commissions: 1.5% of the guarantee amount one-time and annually from the remaining guarantee amount

Funding currency: KZT and/or foreign currency

Counter-commitments:

For investment projects, a 10% increase in taxes and jobs within two financial years from the date the guarantees are issued

1



A Portfolio Agreement is concluded between the Lender and the Financial Agency

2



The lender makes a positive decision on the possibility of providing financing to private business entities

3



The lender enters into a Loan Agreement with the borrower and sends a package of documents to the Financial Agency

4



Issue of a guarantee obligation by the Financial

* Agency
* Private enterprise entities (PEEs)
** List of documents
- Copy of the Loan Agreement
- Copy of the Lender's authorized body's decision on financing
- Copy of the document confirming the Borrower's payment of the guarantee fee

Guarantee Fund Products 2:

- Loans
- Contingent liabilities
- Leasing
- Bonds
- Options

Basic conditions

Target group:

- Private business entities

Amount of funding:

- **More than 7 billion USD**

Goal

- Investments
- Working capital
- Refinancing

Creditors:

Second-tier banks, leasing companies, Subsidiaries of the National Investment Holding “Baiterek”, foreign banks, International financial institutions

Sources of the Fund's funds:

- Funds of the Government of the Republic of Kazakhstan
- Funds of the Sole Shareholder

General Classifier of Economic Activities:

Manufacturing industries, mining, subject to the further processing of extracted/mined materials, the agro-industrial complex, and the creation and/or development of infrastructure facilities in the energy, power supply, heat supply, water supply and sanitation, communications, transportation, tourism, healthcare, and education sectors, as well as related infrastructure.

Guarantee amount: | **no more than 30%** of the project cost, but no more than three times the reserve amount

Warranty period: | **up to 20 years**

Commissions: | 1.5% per annum of the guarantee amount and is paid in a lump sum upon signing the guarantee agreement for the entire term of the guarantee

Funding currency: | KZT and/or foreign currency

For liabilities in foreign currency, the entrepreneur confirms the presence of annual foreign currency revenue of **at least 30%** of the total revenue on the date of application for financing.

The entrepreneur is obliged to ensure participation in the implementation of the project with his own funds (money, movable/immovable property acquired for the purposes of implementing the project) in the amount of at least 20% of the total cost of implementing the project.

1



The lender makes a positive decision on the borrower

2



Financial agency review of projects

3



Decision-making by an authorized body of the financial agency

4



Conclusion of the loan agreement between the lender and the borrower

5



Issuance of the guarantee by the financial agency

6



Disbursement by creditor