



DAMU
КӘСІПКЕРЛІКТІ ДАМУ ҚОРЫ

Financial measures of state support in Kazakhstan

November, 2024



Established in 1997

According to the Resolution of the Government of the Republic of Kazakhstan



Sole shareholder

National Managing Holding Baiterek JSC



20 Branches

(in regional centres, Astana, Almaty, Shymkent)



Mission

Active role in the sustainable development of micro, small and medium-sized enterprises in Kazakhstan, through the implementation of comprehensive and effective support tools



Рейтинги

STANDARD & POOR'S

BBB-/A-3 (Stable)

MOODY'S

Moody's Baa2/Prime-2 (Stable)

Instruments of state support for SMEs


Results for the whole period of implementation of state programmes



Subsidising the interest rate

(«UIP»*, «Joint Order», «Nurly Zher», UNDP, «Economy of Simple Things»)


 110,9 thousand projects

 for the amount of loans
\$17,2 billion

Loan guarantee

(«UIP»*, «Economy of Simple Things», «Enbek», «DAMU-Optima», «Joint Order»)

 70,3 thousand projects

 in the amount of
\$4,2 billion

Financing through conditional allocation of funds

(Second Tier Banks, Micro Finance Organisations, Leasing Companies)

 81,3 thousand borrowers

 for the amount of loans
\$6,5 billion

Results across all financial programmes

As of 01.11.2024



218,7**
thousand projects



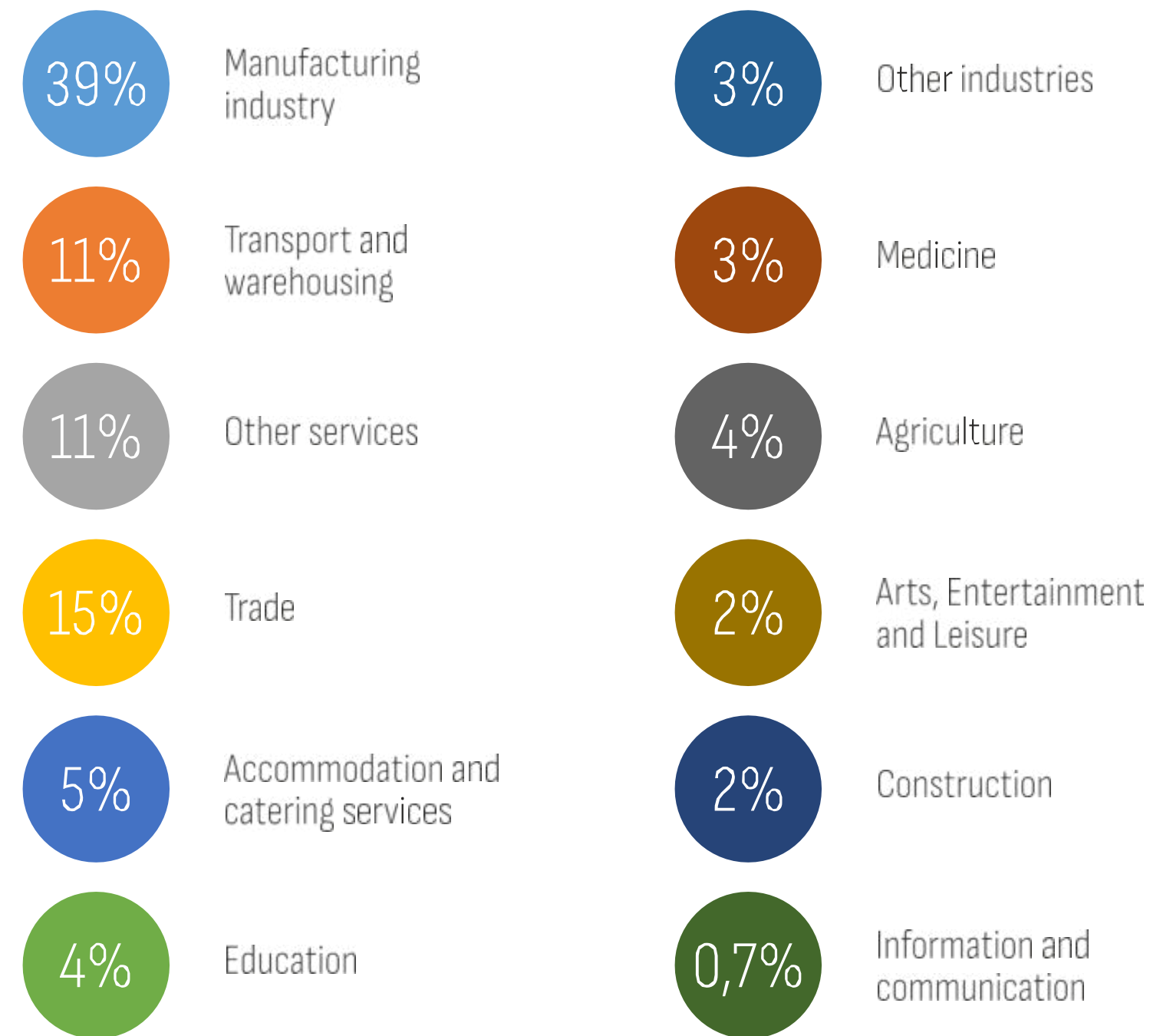
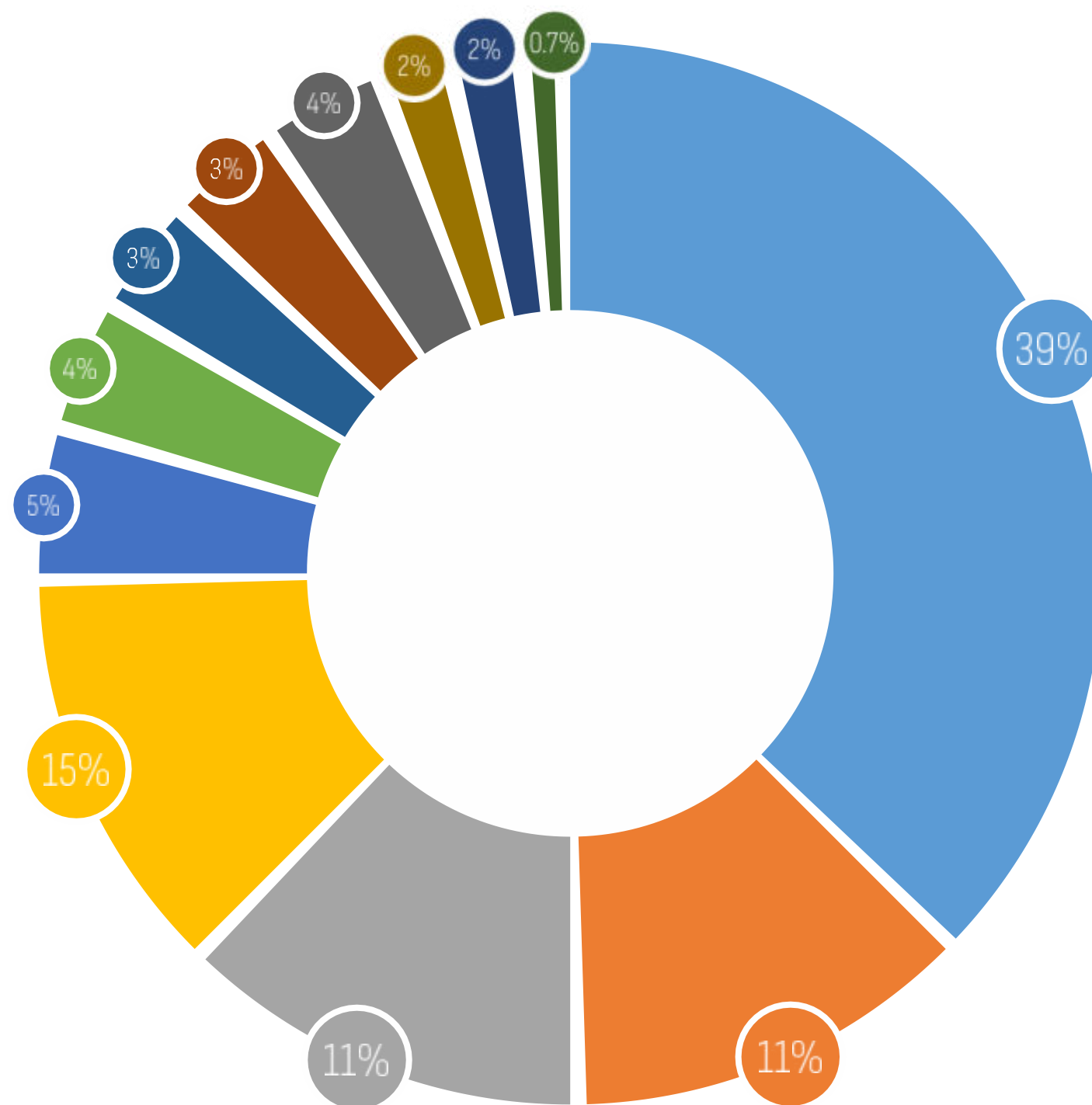
for the amount of loans
\$27,2 billion

*UIP – Unified Integrated Programme approved as of 16 January 2024 (Previously - SP «DKB-2020/2025" National Project and «Economy of Simple Things»)

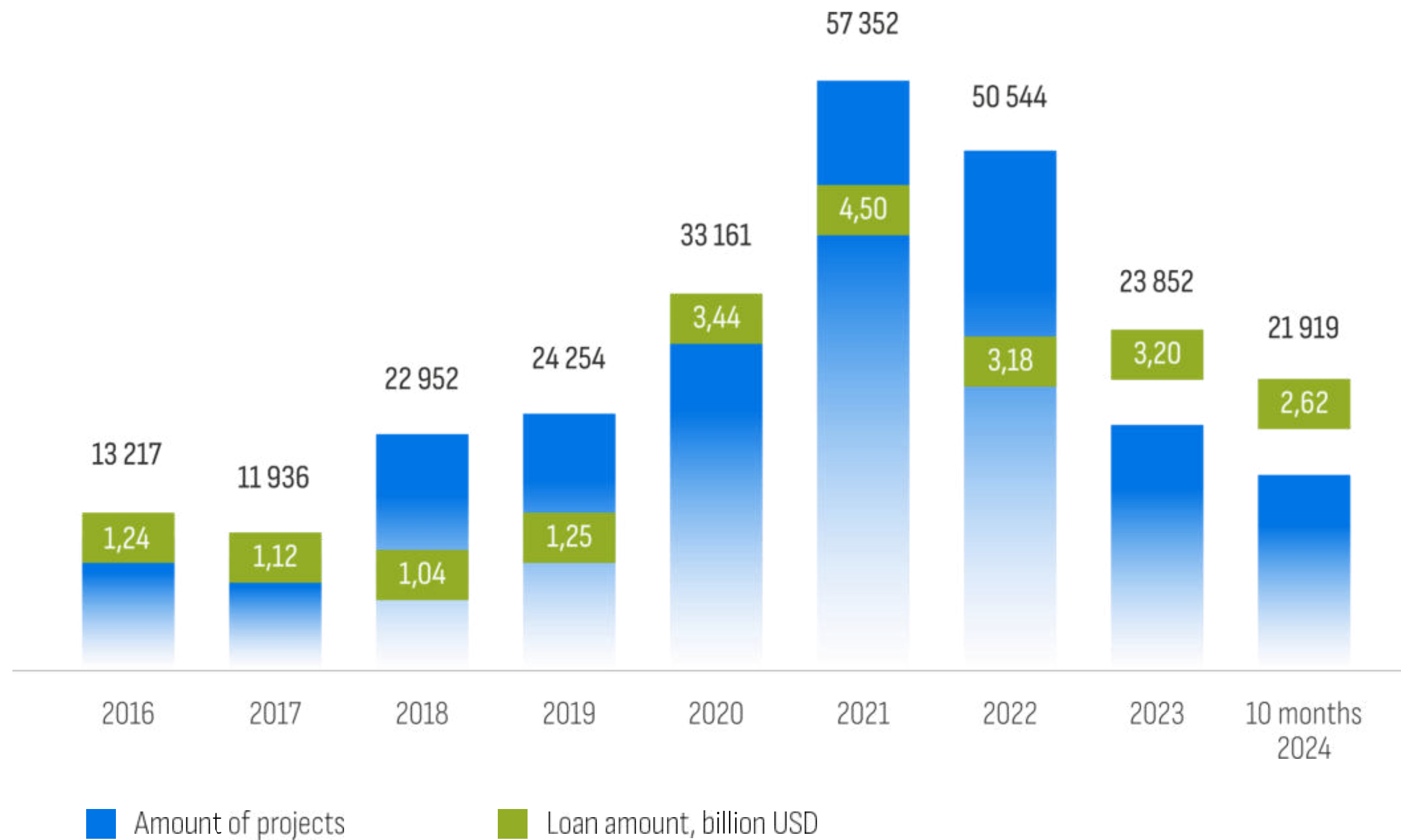
**taking into account the deduction of portfolio subsidy projects from the total number of projects, as portfolio guarantee, and subsidy projects are duplicated

****USD exchange rate of the NB RK as of 01.11.2024 – 488,26 KZT

SME support results by sector



Dynamics of results of SME support under all instruments



Results across all financial programmes

As of 01.11.2024



218,7* thousand projects



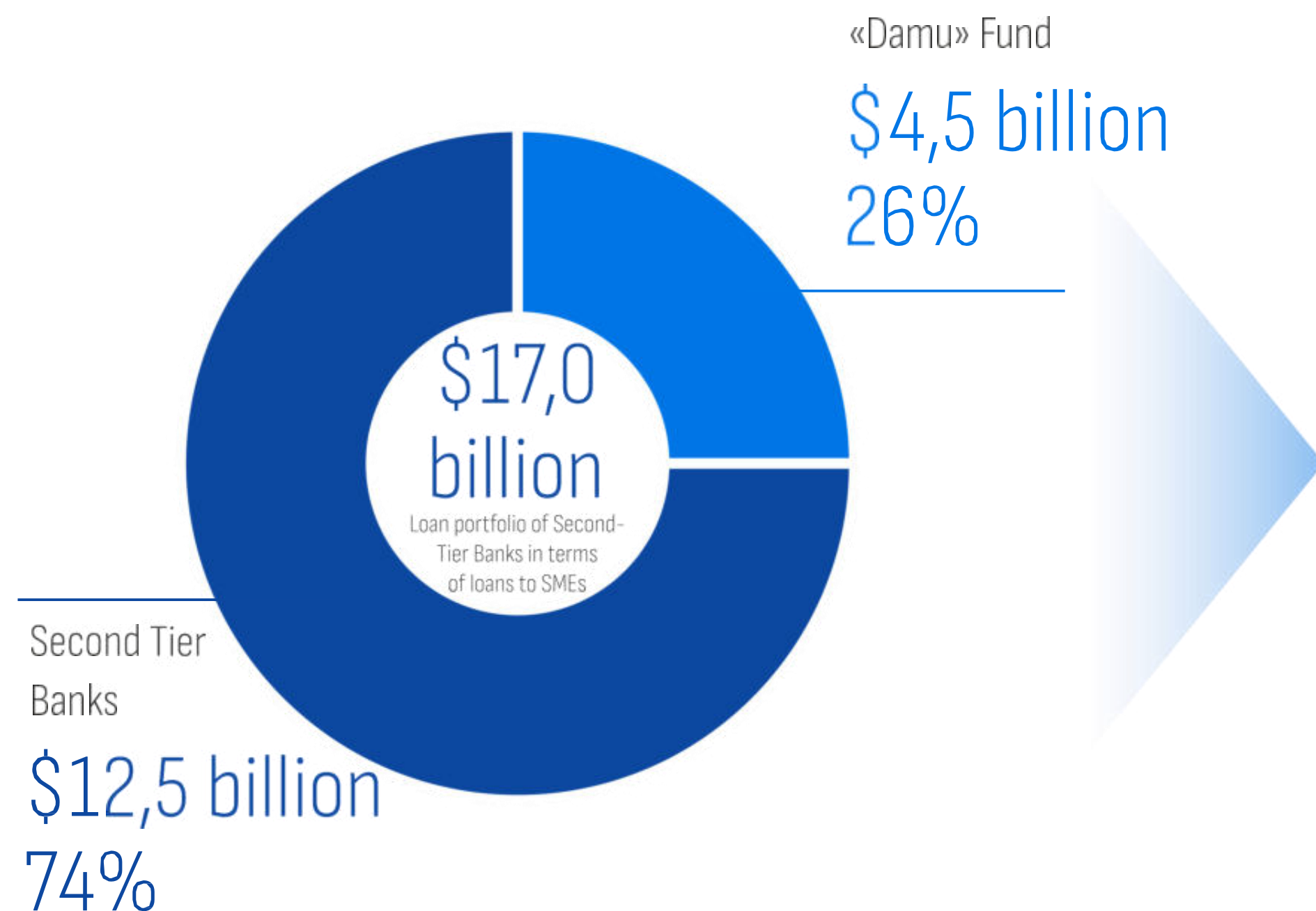
for the amount of loans
\$27,2 billion

*taking into account the deduction of portfolio subsidy projects from the total number of projects, as portfolio guarantee, and subsidy projects are duplicated

Fund's activity: Share of coverage of state support measures in the SME lending market by second-tier banks



As of 01.09.2024



Subsidising, guaranteeing



amount, billion KZT

1 921,7 billion KZT
\$3,9 billion

Preferential financing



amount, billion KZT

252,0 billion KZT
\$5,6 mln

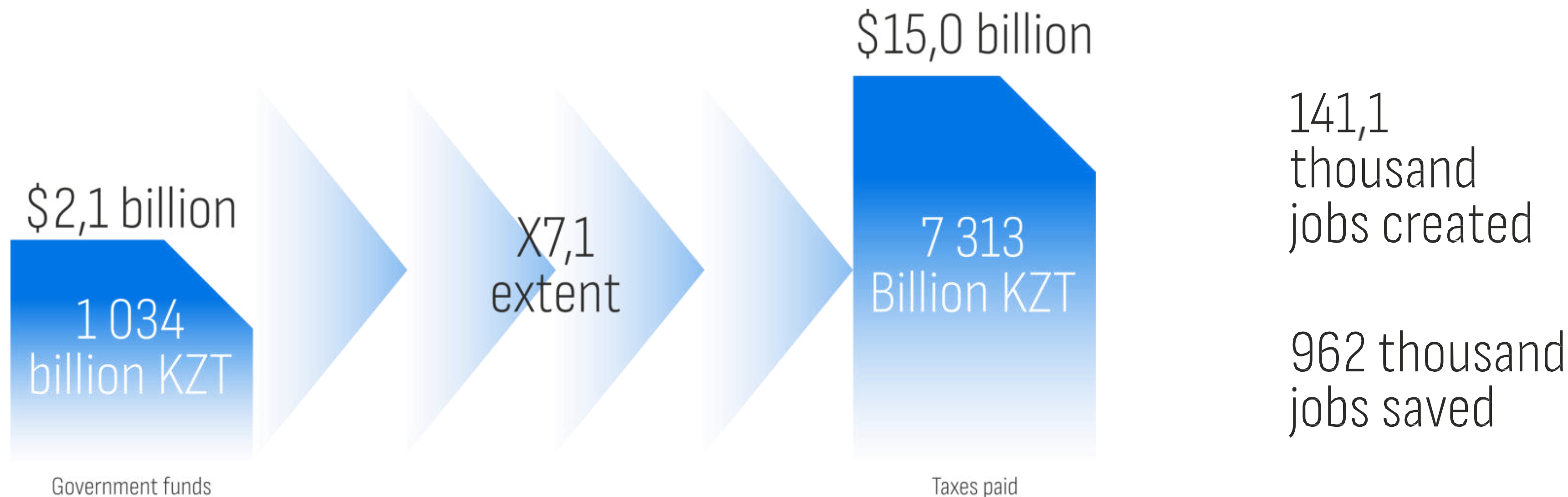
Total



2 174 billion KZT
\$4,5 billion

Economic efficiency

of budgetary funds utilisation (2010-2023)



For the period from 2010 to 2023, the tax revenues amounted to - **\$15,0 billion**, which is 7.1 times more than the budget invested - **\$2,1 billion**, i.e. 1 invested KZT contributes to the payment of **7,1 KZT** of taxes to the budget

UNIFIED INTEGRATED PROGRAMME



Strategic Goal of the
RoK Development Plan
Increasing the share of SMEs
to **40%** of GDP by 2030



Development of
export-oriented,
competitive, import-
substituting industries
and creation of **new jobs**



Diversification
of the economy



Support
for effective
projects

Unified integrated programme



1 Micro-enterprise

Common Classifier of Economic Activities no limitations, except for trading*

Subsidies and loan guarantees

Loan Investments up to \$41 000, Working capital up to \$10 000

Loan guarantee up to 85% of the loan amount.

Interest rate for SMEs 7%-8%

*Trading in food products is allowed

2 Small and Medium Enterprise

Common Classifier of Economic Activities priority

Subsidies

Loan investments up to \$6.1 mln, Working capital up to \$1 mln

Interest rate for SMEs manufacturing industry - 8%-10%, services - 9%

Loan guarantees

Loan investments up to \$3 mln, Working capital up to \$1 mln

Guarantee up to 50% of the loan up to \$3 mln

3 Small, Medium, and Large Enterprise in Manufacturing and Services (formerly SME)

Common Classifier of Economic Activities priority

Subsidies

Loan investments up to \$30.7 mln, Working capital up to \$10.2 mln

Interest rate for SMEs manufacturing industry - 8%-10%, services - 9%

Loan guarantees

Loan investments up to \$7.2 mln, Working capital up to \$2 mln

Guarantee up to 50% of the loan up to \$7.2 mln

4 Entrepreneurship in Mono- and Small Cities, Rural Areas

Common Classifier of Economic Activities no limitations, except for prohibited sectors

Subsidies

Loan investments up to \$3 mln, Working capital up to \$1 mln

Interest rate for SMEs manufacturing industry - 7%, services, trading - 10%

Loan Guarantees

Loan investments up to \$3 mln, Working capital up to \$1 mln

Guarantee up to 50% of the loan up to \$3 mln

5 Social Entrepreneurship

Common Classifier of Economic Activities Without limitations

Subsidies

Loan investments up to \$7.2 mln, Working capital up to \$1 mln

Interest rate for SMEs 7%

Loan Guarantees

Loan investments up to \$2 mln, Working capital up to \$1 mln

Guarantee up to 50% of the loan up to \$2 mln

6 Stock Exchange

Common Classifier of Economic Activities priority

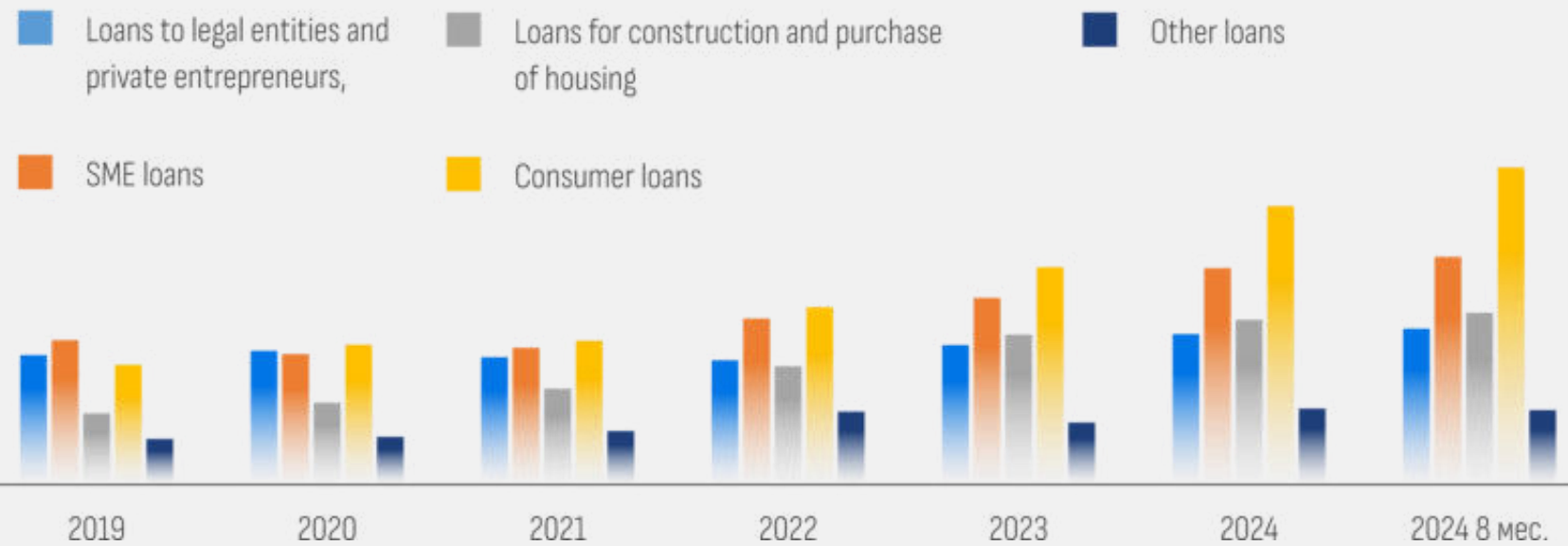
Subsidies and loan guarantees

Nominal value of bond issuance up to \$10.2 mln

Interest rate for SMEs 6%.

Guarantee: up to 50% of the bond issuance amount

Analysis of Banks' loan portfolio



Since 2019, share of loans by banks to legal entities, private entrepreneurs and SMEs has decreased

Share of consumer loans in the loan portfolio of banks increased

Since 2010, lending to legal entities and individual entrepreneurs has decreased

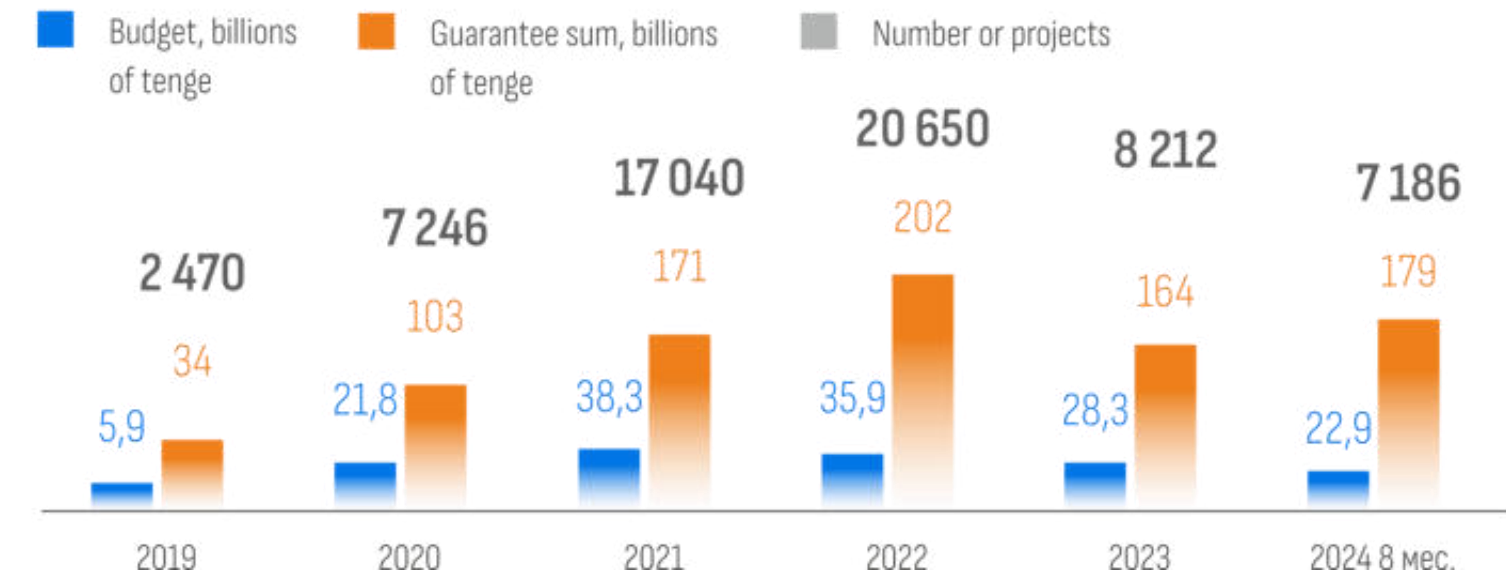
from 61.7% to 40,6%

from 25,5% to 36,8%

from 25,1% to GDP 8,4%

*National Bank of Kazakhshtan

Number of projects guaranteed over 5 years



Number of supported projects directly depends on the amount of budgetary funds allocated by the state. In 2021 and 2022, budget allocations are higher by an average of 35 % and 57 %, respectively, than in 2023-2024

Direct dependence on the budget allocated to the guarantee instrument

Insufficient collateral

Budget deficit and limited monetary resources

Withdrawal of guarantees due to imposition of additional conditions

	Before	Now	Effect	
Submission of an application	<ul style="list-style-type: none">Physical presence in the officeHard copy documents up to 16 documents (54 pages)	<ul style="list-style-type: none">in ONLINE mode via personal accountData verification through the State Database (SDB)	<ul style="list-style-type: none">Automatic order generation based on data the State Database (SDB)Transparent tracking of the application status via personal cabinet	100% Online applications
Obtaining authorisation	<ul style="list-style-type: none">Manual data analysisPaper workflow	<ul style="list-style-type: none">Automated process (scoring, rating model)Electronic document circulation	<ul style="list-style-type: none">Review period decreased from 21 to 3 working days	since 2014 No increase in staffing levels
Signing contract	<ul style="list-style-type: none">Hard copy	<ul style="list-style-type: none">E-signing by means of Electronic Digital Signature	<ul style="list-style-type: none">Reduction of signing time from 3 days to 30 minutes	80% Developments in-house
Monitoring	<ul style="list-style-type: none">Hard copy confirmation of intended useField visit to the project site	<ul style="list-style-type: none">Electronic data exchange with the State Revenue Committee (SRC)Remote inspection	<ul style="list-style-type: none">No need for an employee of the Fund to visit the project siteIncreased coverage by 165% without increasing staffing levels	20% By Kazakhstani external developers

Digitalisation of micro, small and medium-sized enterprises

In Kazakhstan, the digitalisation of micro, small and medium-sized enterprises (MSMEs) is actively developing, but entrepreneurs face a number of obstacles to digital inclusion.



Lack of financial resources

Many MSMEs struggle with funding for digital initiatives, which limits their ability to adopt modern technologies.



Low level of digital literacy

Lack of necessary knowledge and skills among entrepreneurs and their employees makes it difficult to use digital tools effectively.



Limited access to infrastructure

Many MSMEs struggle with funding for digital initiatives, which limits their ability to adopt modern technologies.



Concerns over cyber security

Lack of necessary knowledge and skills among entrepreneurs and their employees makes it difficult to use digital tools effectively.



Challenges in integrating digital solutions

Lack of compatibility between existing systems and new digital tools can cause additional costs and implementation difficulties.



Role of DAMU Fund in supporting the digitalisation of MSMEs:

DAMU Fund actively promotes the digital transformation of MSMEs through the following measures:



Financial support

Provision of subsidies and soft loans for the introduction of digital technologies into business processes.



Training programmes

Organisation of trainings and seminars on improving digital literacy of entrepreneurs.



Consulting services

Providing expert advice on selecting and implementing optimal digital solutions.



Infrastructure development

Assisting in improving access to digital resources and services, especially in remote regions.

These initiatives aim to overcome existing barriers and accelerate the **digitalisation of MSMEs** in Kazakhstan, contributing to their **sustainable development and increased market competitiveness.**

Concessional Financing

Women's Entrepreneurship Lending Program «Umit»

Own program of DAMU Fund, starts in 2024



Participants of the Program:
subjects of women's entrepr.



Program budget:
20 million USD (initially)



Loan term:
up to 84 months



Remuneration rates for SMME:
basic rate of NB RoK



Intended use:
investments, replenishment of
working capital and internal
refinancing



Add. advantages:
- guarantee within the framework
of the Unified Integrated Program;
- education on the base of EBRD



Cooperation



Council of Business Women of Kazakhstan
under the NCE RK «Atameken»



Women's Entrepreneurship Development Center
under the NCE RK «Atameken»



European Bank for Reconstruction
and Development in training

Support for green projects



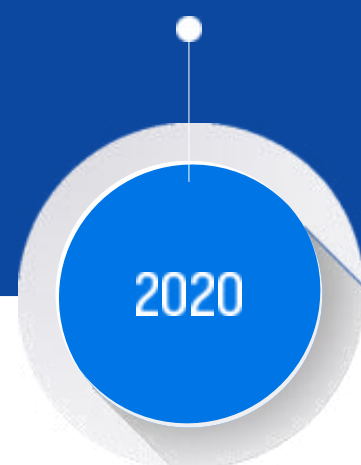
«DKB 2020»

Launch of Unified/ State Support and Business development



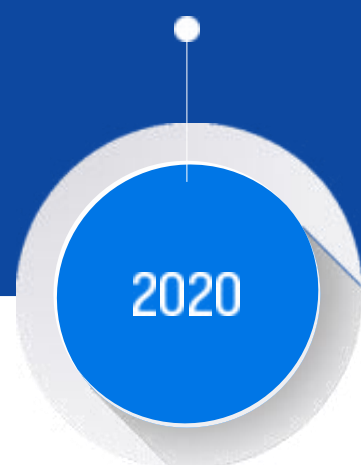
UNDP-RES

Agreement with UNDP on subsidizing renewable energy projects



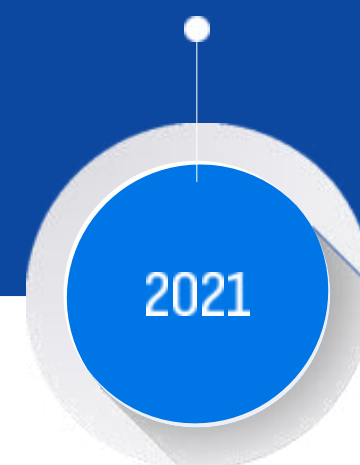
Green bond issue

The funds from the issue are used to finance renewable energy projects



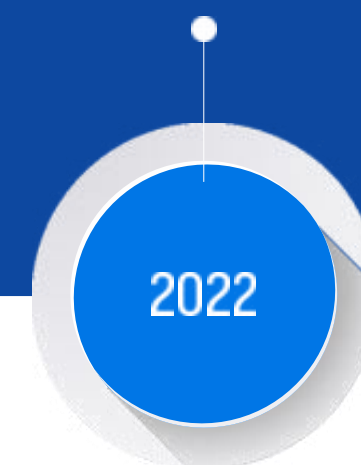
«DKB 2025»

Subsidizing the coupon interest rate on «green» bonds



UNDP-GEF

A new agreement with UNDP on subsidizing projects «Sustainable cities for low-carbon development in Kazakhstan» with the allocation of a grant of \$1,2 million



As of 01.11.2024, a total of 212 'green' projects were supported for the credit amount of \$510 million, including UNDP projects and projects with green labelling according to the taxonomy and independent analysis of the Fund.



Fund's policies are developed in accordance with UN Sustainable Development Goals

Social bonds issuance



In 2021, DAMU Fund issued Kazakhstan's first social bonds, worth \$ 2.3 million, with a five-year maturity, complying with social finance standards. Together with UNDP and AIFC, DAMU Fund supported the setting up of the essential regulatory framework for the green finance market.

Bonds issuance



+

DAMU Fund's contribution



=

Shared pool



Issuance is fully compliant with ICMA's social bond principles



Independent Opinion: Expert RA

Social bonds = COVID-19 bonds

Total pool of funds



BANKS



MSMES





Raised funds totaling more than **\$1 billion** from international financial organisations for further lending to SMEs from international financial organisations for further SME lending



Thank you for your attention!