Established in 1997
Based on the Decree of the Government of the Republic of Kazakhstan

Sole Shareholder: “Baiterek” National Managing Holding

MISSION:
An active role in the sustainable development of micro, small and medium enterprises in Kazakhstan, through the implementation of comprehensive and effective tools of support

Present in all regions of Kazakhstan

17 Branches
(In the regions and the largest cities of Nur-Sultan, Almaty, Shymkent)

RAITINGS:

STANDARD &POOR’S: BBB-/A-3 (Stable)

Moody’s: Baa3 (Stable)
Measures of MSMEs state support of “Damu” Fund

I. Subsidizing of interest rate

Results: 54,8 thousand projects
For loan amount of 12,2 billion USD

II. Loan Guarantees

Results: 28,9 thousand projects
For the amount of 1,9 billion USD

III. Concessional loans through Commercial banks/MFIs/Leasing Companies

Results: 74,0 thousand borrowers for loan amount of 5,7 billion USD

IV. Training (in cooperation with EBRD) and Consultation

Results for all finance programs: 157,6 thousand projects
For loan amount of 20 billion USD
As of November 2021
In August 2020, Damu Fund with the support of UNDP made its debut placement of green bonds for the amount of 200 million tenge (~500,000 $) on the AIFC stock exchange for further lending to SME projects implementing with the aim of introducing renewable energy technologies (RES).

Funds raised through the issuance of green bonds were used to finance the construction of a solar power plant in the Turkestan region.

Loan amount for the SME borrower: ~500,000 $

Maturity: 3 years

Interest Rate: 6% (rate subsidized by UNDP)

AIFC Technical Assistance

1. AIFC provided support throughout the entire process of registration and placement of bonds without commission.
2. Free AIFC Second Party Opinion on compliance of green bonds with ICMA requirements

Challenges in Issuing Green Bonds

- evolving ESG agenda,
- lack of necessary regulatory mechanisms,
- low diversification of the economy,
- lack of economic incentives and interest of investors and financial agents
Implementation of Sustainable Development Principles in the Financial Sector of Kazakhstan

The financial sector of Kazakhstan is adapting to the new challenges of the development of the world economy.

- A regulatory framework has been created for the issuance of green, social bonds, sustainable development bonds in accordance with international standards.

The Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market plans to introduce ESG principles into the activities of financial organizations. ESG principles will be gradually implemented through ESG risk disclosure, accounting in risk management and corporate governance systems, integration into the SREP supervision system and stress testing of ESG risks:

1. Development of recommendations for the implementation of ESG principles by financial organizations: the publication by the Agency for Market Regulation and Development of recommendations for financial sector participants on the degree of exposure to ESG risks, the procedure for identifying, assessing and managing risks

2. Development of legislation for financial institutions to implement ESG principles: internal management system, disclosure by financial organizations of information on the impact of ESG factors on their activities

3. Overview, evaluation & inclusion in the supervision system of the ESG risks: application of a set of regulatory measures to restrict organizations from performing transactions with increased ESG risk

- By the Kazakhstan Stock Exchange KASE, green, social and other bonds issued to finance sustainable development projects are included in the official list of the KASE. Moreover, KASE has reduced tariffs on listing fees for sustainable bonds.
THANK YOU FOR ATTENTION

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