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**“APPROVED”**  
Appendix No. 1  
to the minutes of the meeting  
of the supervisory board  
of JSC “Entrepreneurship  
Development Company”  
dated “23” december 2024 No. 11/24

**BUSINESS PLAN**

**Of the Joint-Stock Company**  
**“Entrepreneurship Development Company” for 2025**

**Tashkent — 2024**

## **Confidentiality notice**

The present information is the property of the Joint-Stock Company "Entrepreneurship Development Company."

Any individual or organization receiving the specified information, without the consent of the rights holder, may not transfer it to other individuals or organizations, nor make copies thereof.

For the purposes of information disclosure and in accordance with the requirements of the Rules on the requirements for corporate websites of joint-stock companies (Annex No. 1 to Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 176 dated July 2, 2014), the business plan of the Joint-Stock Company "Entrepreneurship Development Company" for 2025 (in the form of extracts), after approval by the Supervisory Board of the Company, will be posted on the corporate website and in other sources of information in the manner prescribed by law.

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## **Introduction**

Business Plan of the Joint-Stock Company “Entrepreneurship Development Company” (hereinafter, the “Company”) has been developed as a document defining the principal areas of the Company’s activities in 2025.

This document serves as the basis for the Company’s provision of services in the financial market of Uzbekistan in 2025 and, inter alia, includes target indicators for the specified period as well as measures for their achievement.

The Business Plan has been prepared taking into account the Company’s real prospects and potential capabilities and includes the formulation of corporate objectives for 2025 that coordinate the efforts of all organizational units aimed at achieving the common goal.

## I. General information about the Company

### I.1. Details of the Joint-Stock Company "Entrepreneurship Development Company"

№	Name	Indicators
1	Full legal name of the Company	Joint-Stock Company "Entrepreneurship Development Company"
2	Abbreviated name of the Company	JSC "Entrepreneurship Development Company"
3	Organizational and legal form	Joint-Stock Company
4	Basis for establishment	Presidential decree of the Republic of Uzbekistan No. PF-193 dated November 10, 2023
5	Type of activity	Financial support for entrepreneurs
6	Charter capital (authorized capital)	300 billion UZS
7	Nominal (par) value	1,000 UZS
8	Number of shares	300,000,000 shares
9	Statistical classifiers (OKED code)	84130
10	Taxpayer identification number (TIN)	305,109,064
11	Settlement account and servicing bank	"Aloqabank," Operations Department; MFO 00401; current account No. 20210000100809425002.
12	Number of employees	111 employees
13	Registered address	(100027), Tashkent, Shaykhantakhur District, 1 Koratosh Street
14	Permanent address	Tashkent, Shaykhantakhur District, 1 Koratosh Street

## **I.2. Organizational structure and structure of the Company's executive office**

In its business operations, the Company is guided by the current legislation of the Republic of Uzbekistan, the Charter, and internal corporate documents that define its objectives and areas of activity, the procedure for managing the Company, as well as the procedure for forming and using its funds.

The Company is a legal entity established under the Ministry of Economy and Finance in the form of a joint-stock company and has an independent balance sheet and its own bank accounts.

The Company's main objectives are to:

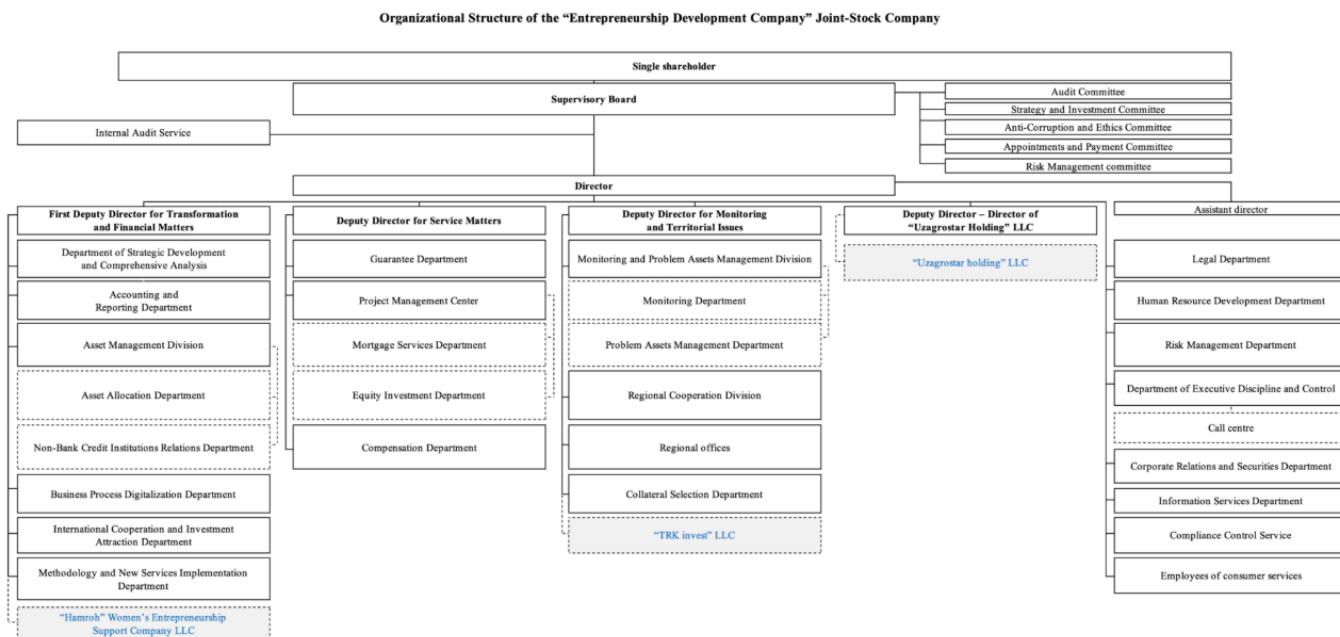
- independently introduce additional support instruments, based on the demand and needs of small and medium-sized enterprises (SMEs), aimed at their comprehensive assistance, and to expand entrepreneurs' access to support measures;
- attract financial resources on domestic and international capital markets, including funds from international financial institutions and foreign state financial institutions;
- participate in the implementation of state, sectoral, and regional programs, projects, and activities aimed at job creation through the development of small and medium-sized enterprises;
- support the innovative activities of SMEs, encourage the creation and production of new types of products, as well as the introduction of efficient new technologies into production activities;
- provide financial assistance to projects of self-employed persons based on the types of their activities (works, services);
- broadly promote the introduction of "green" and energy-saving technologies, as well as renewable energy sources, in the provision of services and in the production and cultivation of products.

The sole shareholder of the Company is the Ministry of Economy and Finance.

The Supervisory Board of the Company may amend the volumes, parameters, and rules for the provision of financial assistance by the Company to business entities, including the introduction of new types of services.

Acting in accordance with the Law of the Republic of Uzbekistan "On Joint-Stock Companies and Protection of Shareholders' Rights" and the Company's Charter, the Company is governed by the General Meeting of Shareholders, the Supervisory Board, and the executive body.

The Supervisory Board consists of 7 members, 3 of whom are independent.  
The Supervisory Board of the Company has been formed as follows.



### COMPOSITION of the Company's supervisory board

№	Full Name	Position
1	Kuchkarov Jamshid Anvarovich	Chairman of the supervisory board
2	Khaydarov Abdulaziz Abdulakhadovich	Member of the supervisory board
3	Ubaydullayev Mirzokhid Murodilovich	Member of the supervisory board
4	Kurbanov Davronbek Kadambayevich	Member of the supervisory board
5	Trofimova Ekaterina Vladimirovna	Independent member of the supervisory board
6	Manohari Gunawardhena	Independent member of the supervisory board
7	Sultonov Tolqin Tolibovich	Independent member of the supervisory board

The executive body of the Company organizes the Company's operations and conducts systematic monitoring of the targeted and efficient use of the Company's funds.

The executive body of the Company has been formed in the following composition.

**Table 2**

**COMPOSITION  
of the Company's executive body**

<b>№</b>	<b>Full Name</b>	<b>Position</b>
1	Makhamatov Abboskhon Makhamatovich	Director of the Company

The Company's organizational structure has been approved by a resolution of the Company's sole shareholder. In accordance with the approved structure, the established staffing level amounts to 111 positions.

The Central Bank, within the scope of its authority, exercises supervision and regulation of the Company's activities.

**I.3. Work performed by the Company**

The Company is the legal successor of the State Fund for the Support of Entrepreneurial Activity (hereinafter, the "Fund").

Pursuant to Presidential Decree of the Republic of Uzbekistan No. PF-193 dated November 11, 2023, "On Measures to Improve the System of Financial Support for Small and Medium-Sized Businesses," the State Fund for the Support of Entrepreneurial Activity was reorganized into the Joint-Stock Company "Entrepreneurship Development Company."

As a result, an Entrepreneurship Development Company based on international standards was established, enabling support not only for small but also for medium-sized enterprises. The number of support instruments for entrepreneurs was increased from 2 to 24; in addition to commercial banks, cooperation with microfinance organizations and leasing companies was introduced; and the authority was granted to independently engage with international financial institutions and investors.

In 2018–2024, financial support was provided for 49.3 thousand projects totaling 17.5 trillion UZS.

As a result of the support provided, the creation of 382.2 thousand new jobs is envisaged.



**Table 3**

**NUMBER  
of support provided by regions**

*billion UZS*

№	Names of regions	Total		в том числе									
				Guarantee		Mortgage of services		Compensation		Refinancing PF-312		Resource allocation	
		number of projects	volume of support	number of projects	volume of support	number of projects	volume of support	number of projects	volume of support	number of projects	volume of support	number of projects	volume of support
	<b>TOTAL</b>	<b>49 311</b>	<b>17 547</b>	<b>13 601</b>	<b>10 517</b>	<b>9</b>	<b>52</b>	<b>33 550</b>	<b>6 662</b>	<b>2044</b>	<b>177</b>	<b>107</b>	<b>138,71</b>
1	Republic of Karakalpakstan	2 130	945	716	621	0	0	1 275	311	137	12,6	2	0,4
2	Andijan region	3 803	1 390	1 190	846	0	0	2 516	530	93	8,5	4	6
3	Bukhara region	4 056	1 578	1 037	860	0	0	2 896	699	116	10	7	8
4	Jizzakh region	3 130	1 152	837	746	0	0	2 174	390	112	9,78	7	6
5	Kashkadarya region	4 720	1 009	1 468	598	0	0	3 012	379	228	18,9	12	13
6	Navoi region	2 272	766	537	436	1	1	1 573	299	149	13,2	12	15
7	Namangan region	3 641	981	976	564	2	18	2 484	380	175	16,1	4	3
8	Samarkand region	5 003	1 118	935	580	1	14	3 893	503	166	14,1	8	7
9	Navoi region	2 675	1 207	1 026	716	0	0	1 476	469	170	13,9	3	8
10	Syrdarya region	1 636	813	720	560	0	0	823	243	92	7,9	1	2
11	Tashkent region	3 317	1 704	907	1 002	2	10	2 239	656	156	14,4	13	21
12	Fergana region	5 254	1 206	1 331	736	1	1	3 646	434	267	22,6	9	12,1
13	Khorezm region	4 860	2 125	1 191	1 329	1	5	3 536	764	112	8,8	20	18
14	Tashkent city	2 814	1 554	730	922	1	3	2 007	603	71	5,9	5	20

At the same time, entrepreneurs in the Khorezm, Tashkent, and Bukhara regions, as well as in the city of Tashkent, made greater use of the Fund's support.

**Table 4**

**NUMBER  
of support provided by sectors**

*billion UZS*

№	Sectors	TOTAL		в том числе									
				Guarantee		Mortgage of services		Compensation		Refinancing PF-312		Resource allocation	
		number of projects	volume of support	number of projects	volume of support	number of projects	volume of support	number of projects	volume of support	number of projects	volume of support	number of projects	volume of support
	<b>TOTAL</b>	<b>49 311</b>	<b>17 547</b>	<b>13 601</b>	<b>10 517</b>	<b>9</b>	<b>52</b>	<b>33 550</b>	<b>6 662</b>	<b>2 044</b>	<b>177</b>	<b>107</b>	<b>139</b>
1	Agriculture	27 496	9 272	6958	5 047	1	14	20 491	4 177			10	16
2	Industry	9 315	4 413	3 346	3 003	6	34	5 953	1 360			4	6
3	Services sector	12 500	3 861	3 274	2 466	2	4	7 106	1 125	2044	177	51	88

In the structure of commitments assumed, agriculture accounted for 9,272 billion UZS (53%), industry — 4,413 billion UZS (25%), and services — 3,861 billion UZS (22%).

#### **1.4. Information on obtaining ratings from rating agencies and implementing international standards**

In 2025, the Company plans to carry out consistent, systematic work to obtain a corporate credit rating from the national rating agency "Ahbor-Reyting."

##### **Work on obtaining ISO certificates.**

Preliminary work has commenced to obtain ISO certifications, and in 2025 staff training and the attainment of ISO 9001 and ISO 37001 certifications are planned. In this connection, the following activities are anticipated:

<b>№</b>	<b>Planned activities</b>
<b>1</b>	Assessment of current operations
<b>2</b>	Identification of risks and opportunities (iso 9001)
<b>3</b>	Identification of corruption risks (iso 37001)
<b>4</b>	Development and updating of documents
<b>5</b>	Employee training
<b>6</b>	Implementation of the system within the organization
<b>7</b>	Internal audit of the system
<b>8</b>	Management review
<b>9</b>	Preparation for certification audit
<b>10</b>	Conduct of the certification audit and obtaining the certificate
<b>11</b>	Continual improvement of the system

##### **Implementation of ESG standards**

At present, the significance of the principles of environmental and social responsibility and good governance is increasing substantially.

Environmental, Social, and Governance (ESG) standards set qualitative requirements for environmental responsibility, a high level of social responsibility, and corporate governance. In recent years, these principles have often been taken into account by international financial institutions as criteria in making investment decisions and have influenced the degree of access to global financial markets.

Pursuant to Presidential Decree of the Republic of Uzbekistan No. PF-101 dated April 8, 2022, "On Further Reforms to Create Conditions for Sustainable Economic Growth by Improving the Business Environment and Developing the Private Sector," the development of an ESG system is envisaged with the aim of attracting investments based on the principles of environmental, social, and governance responsibility (ESG).

The activities aimed at achieving the Sustainable Development Goals are presented in the following table.

<b>№</b>	<b>Activities</b>
<b>1</b>	Establish a working group for the implementation and management of ESG principles within the Company
<b>2</b>	Build an ESG culture among the Company's employees
<b>3</b>	Integrate ESG principles into the Company's long-term strategy
<b>4</b>	Develop environmental and social risk management requirements to be fulfilled by initiators of projects implemented using the Company's services
<b>5</b>	Develop the Company's Environmental and Social Policy
<b>6</b>	Develop a Sustainable Finance Policy
<b>7</b>	Develop a Policy on Gender Equality and Women's Rights
<b>8</b>	Develop a Policy on Social Support and Social Investment
<b>9</b>	Develop a Policy on the Resolution of Corporate Conflicts
<b>10</b>	Develop a Policy on Handling Communications and Complaints from the Public
<b>11</b>	Develop a Policy on Personnel Matters
<b>12</b>	Prepare proposals for the full alignment of the Corporate Governance Code with ESG principles
<b>13</b>	Prepare proposals for integrating ESG principles into the Risk Management Policy and other risk management documents

14	Develop a Policy on Incentives (Remuneration)
15	Develop a Policy on Working with Clients
16	Develop a Policy on Information Security and Cybersecurity
17	Hire full-time specialists on environmental and social matters
18	Establish a committee/group for digitalization and innovation, and for change management
19	Prepare and disclose the Company's ESG reporting
20	Develop and implement the Company's key performance indicators (KPI) for embedding ESG principles into the Company's activities

The Company has budgeted expenses for sponsorship purposes in the amount of 7 billion UZS.

## **II. Key areas of development**

### **The Company has defined the following strategic goals for 2025:**

Bring the quality of services provided by the Company to entrepreneurs to a fundamentally new level, further strengthening mutually beneficial partnerships based on mutual trust and transparency.

Increase the Company's investment activity, ensuring sustainable growth of the Company's assets while maintaining consistently high asset quality.

Consistently improve the risk management system.

Ensure an increase in the Company's capitalization by raising the authorized capital and annual net profit.

Enhance the compliance control and internal security system. Develop the marketing and advertising strategy.

Improve the foundations of effective personnel management within the Company.

Pursue a policy of utilizing various financial instruments to attract financing (capital markets — bond issuance, credit resources from international financial institutions, etc.) in order to increase the Company's investment appeal.

## **II. Financial instruments and types of financial assistance provided**

### **The Company has envisaged the following for 2025:**

1. For medium-sized enterprises — a contribution to their charter capital in the form of real estate, equipment, and other assets of up to 50 percent of the project cost for production and service provision, but not more than 20 percent of the charter capital or more than 5 billion UZS.

2. For medium-sized enterprises — provision of financial assistance

secured by a "mortgage of services" for a term of up to 7 years in an amount of up to 70 percent of the project cost for production and service provision, but not more than 10 billion UZS.

3. Placement of financial resources in national and foreign currencies with commercial banks, microfinance organizations, and leasing companies for the subsequent issuance of loans (leasing) for projects of small and medium-sized enterprises.

4. Provision of a financial loan for a term of up to 7 years in an amount of up to 70 percent of the cost of projects of small and medium-sized enterprises, but not more than 20 billion UZS.

5. Provision of guarantees for loans, leasing, bank guarantees, and letters of credit issued by commercial banks, microfinance organizations, and leasing companies in national and foreign currencies for projects of small and medium-sized enterprises.

Under intermediary agreements concluded with commercial banks for the use of the Company's funds, portfolio guarantees are provided for loans within the established limit, aggregate amount, and conditions.

6. Refinancing of a portion of microloans issued by commercial banks to small business entities, in an amount up to 100 million UZS.

7. Provision to small business entities of compensation to reimburse part of the interest rates on loans. Compensation payments are made from the Fund for Compensation of Interest Expenses on Loans, established without forming a legal entity under the Ministry of Economy and Finance and financed through transfers from the State Budget.

The above Company support measures are provided on the basis of Regulations approved by the Company's Supervisory Board.

Financial assistance by the Company is provided to business entities registered and operating in the territory of the Republic of Uzbekistan, not in the process of liquidation, in respect of which no insolvency proceedings have been initiated, and that do not have a "bad" credit history, as well as, as of the date of application, have no overdue indebtedness on loans (leasing, bank guarantees, letters of credit) and on taxes.

**Table 5**

**Volume of support measures provided by the Company in 2025**

*billion UZS*

№	Support measures provided	On the support measures to be provided in 2025		share of assistance
		number of projects	amount of assistance	
TOTAL		28 987	4 152,5	100%
1	Guarantee	506	303,6	7%
2	Mortgage of services	83	288,7	7%
3	Equity contribution to the charter capital	80	200,2	5%
4	Resource allocation	1 317	560	13%
5	Refinancing	26 499	2 650	64%
6	Compensation	502	150	4%

**During 2025, it is planned to provide financial support for 28,987 projects totaling 4,152.5 billion UZS, including:**

provision of guarantees for 506 projects in the amount of 303.6 billion UZS;

provision of "mortgage of services" to 83 medium-sized enterprises in the amount of 288.7 billion UZS;

provision of financial assistance and equity contributions to 80 medium-sized enterprises in the amount of 200.2 billion UZS;

provision of resource support for 1,317 projects in the amount of 560 billion UZS;

refinancing of microloans for 28,987 small business entities in the amount of 2,650 billion UZS;

provision of compensation for 502 projects in the amount of 150 billion UZS.

## **I. Goals, objectives, and priority areas for 2025**

### **Activities to be undertaken to achieve the strategic goals:**

- provide financial support over the year for 28,987 projects totaling 4,152.5 billion UZS;
- facilitate the transition of small businesses into the category of medium-sized businesses;
- ensure even stricter adherence to the principles of corporate governance and personnel policy;
- implement modern information and communication technologies and digitalize the Company's support delivery processes;
- implement the tasks set forth in the Company's development strategy;
- achieve the best financial results, in particular meet the forecast indicators of net profit.

### **International cooperation:**

- attract international financial institutions, commercial banks, and other private investors to participate in the Company's charter capital;
- raise borrowed funds for the Company from international financial institutions and organizations;
- consistently improve the profitability of the attracted funds;
- undertake official business trips to foreign countries to study international best practices in detail.

### **Accounting policy and asset management:**

- maintain the Company's financial (accounting) reporting in accordance with the National Accounting Standards (NAS) and International Financial Reporting Standards (IFRS), taking into account new requirements for the classification and measurement of financial assets;
- prepare IFRS financial statements for international and domestic investors;
- establish the issuance of periodic reports through publications;
- develop an action strategy aimed at the phased increase of the Company's equity;
- set and monitor limits for accounts receivable and accounts payable, as well as the volumes of borrowed funds attracted;
- automate the preparation of financial statements;
- develop appropriate procedures for effective asset management;

- consistently improve return on assets;
- introduce a methodology for setting the maximum (annual, on an ongoing basis) amount of support provided relative to the Company's funds;
- carry out activities to provide compensation support within the public financial management information system.

**Enhancing corporate governance:**

- improve the Company's activities based on the World Bank's recommendations provided following the review of the operations of the State Fund for the Support of Entrepreneurial Activity;
- consider introducing amendments and additions to the Company's Charter and to the Regulations on the General Meeting of Shareholders, the Supervisory Board, and the executive body;
- submit the committees' reports to the Supervisory Board on a quarterly basis;
- develop and implement new internal regulatory documents to improve the internal regulatory framework on corporate governance matters.

**Enhancing the analysis and monitoring of project target achievement:**

- develop criteria for evaluating the performance of supported projects;
- build a dedicated performance-analysis module in the "Tadbirkor" Information System based on integrated data;
- define measures to ensure performance;
- develop a dedicated monitoring and analysis module in the "Tadbirkor" Information System;
- ensure that the volume of problem assets does not exceed established limits;
- expand the use of remote monitoring through various information databases.

**Improving the effectiveness of internal audit:**

- timely submit to the Audit Committee the reports on the results of internal audits conducted by the Company's Internal Audit Service and in the regions;
- regularly provide the Audit Committee with the work plan and performance indicators to ensure effective operations;
- develop a procedure (regulation) for undergoing external audit with respect to the applicable requirements.

**Improving the risk management system:**

- carry out within the Company the relevant activities to identify risks, set their minimum and maximum threshold levels, manage them, and reduce their level;
- develop and implement an action plan to establish and introduce a system for



managing environmental, emergency (man-made), and social risks;

submit reports to the committees and the Supervisory Board on a quarterly basis;

engage international consultants to implement an effective risk management system;

enhance digital and remote controls to prevent risks;

organize risk management trainings or participate in trainings conducted.

**Implementing the compliance control and internal security system:**

to regularly inform the public about the measures taken to combat corruption, create a dedicated page on the official website, as well as set up an email address, a hotline, and a Telegram channel (bot);

align the Company's anti-corruption management system with the requirements of the international standard ISO 37001:2016 and obtain certification;

develop an action strategy, based on international practice, to improve mechanisms for identifying, assessing, monitoring sectoral risks, and mitigating identified risks.

**Improving service quality and IT development:**

ensure the full digitalization of the Company's support delivery;

upgrade the "Tadbirkor" Information System;

launch the Company's mobile application;

ensure prompt communication of the Company's support measures to entrepreneurs;

progressively automate operations to enhance service quality and timeliness.

**Personnel policy:**

organize training for the Company's employees in corporate processes, foreign languages, and other necessary areas;

implement a system for assessing employees' performance and knowledge;

fill the Company's vacant positions with qualified specialists;

ensure the achievement of target indicators for labor productivity and employee turnover rates.

**Marketing and advertising strategy:**

- regularly communicate information on financial support measures to self-employed persons and to small and medium-sized enterprises;
- promptly inform stakeholders of new developments regarding support measures;
- enhance the Company's recognition and market positioning;
- expand the dissemination of information on the official website and across social media;
- prepare video materials about the Company's activities in Uzbek, Russian, and English;
- prepare a brand book to ensure comprehensive information about the Company;
- modernize the Company's official website in line with current requirements—taking into account principles of enhanced functionality, improved design, and better client interaction;
- provide self-employed persons and SMEs with "Entrepreneur Consulting," "Advertising Services," and other forms of support.

## **II. Financial and economic indicators**

In 2025, adhering to the following core principles of financial policy, the Company aims to intensify its activities across all market segments:

maintaining a balance between solvency and the effective growth of absolute financial indicators;

ensuring optimal asset profitability while preserving their stability and liquidity.

### **Plan for building and deploying the funding base**

In 2025, the volume of funds to be raised will amount to **1,097.8 billion UZS**, including:

**126.0 billion UZS** — a budgetary loan to allocate resources for MTM loans;

**128.0 billion UZS** (USD 10 million) — for the implementation of the APEX microfinance system;

**96.7 billion UZS** — from the Islamic Development Bank;

**257.6 billion UZS** — from the World Bank for service-sector projects, “green,” and energy-efficient projects;

**188.7 billion UZS** — under Phase 2, Tranche 2 of the World Bank in accordance with Resolution No. PQ-317 dated July 13, 2022;

**300.0 billion UZS** — proceeds from securities.

### **Income indicators for 2025**

The Company’s financial performance is characterized by the following indicators:

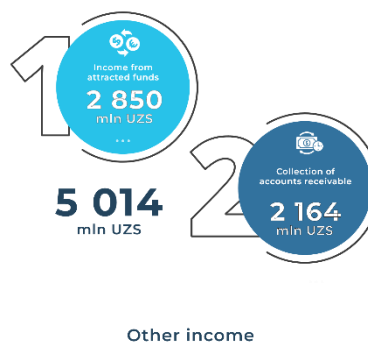
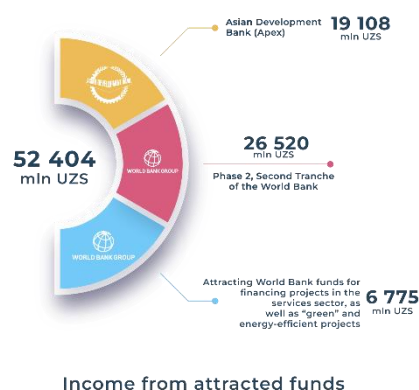
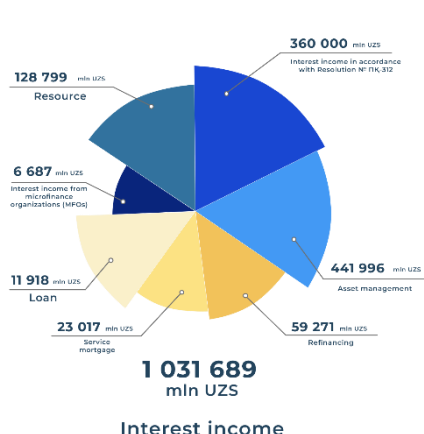
interest income: **987.5 billion UZS**;

non-interest income: **12.1 billion UZS**;

other income: **5.0 billion UZS**.

Over the course of 2025, the Company expects to receive total income of **1,004.6 billion UZS**.

## Forecast of the Company's revenues for 2025



## Expense indicators for 2025

For the purpose of determining the Company's financial results, the costs of maintaining the executive body and the Supervisory Board are recognized as expenses.

During 2025, the Company plans to incur expenses totaling **434.6 billion UZS**.

The payroll fund (maximum amount) for the Supervisory Board and the executive body is planned at **78.0 billion UZS**.

An amount of **486.5 billion UZS** is earmarked for the formation of provisions for possible losses.

Subject to meeting the income and expense indicators set for 2025 and forming the provisions, it has been calculated that the Company will pay profit tax in the amount of **12.0 billion UZS**.

## III. Business risk management

### 6.1. Risk management policy

The Policy defines the objectives, tasks, and principles of the risk management system, as well as the procedures for identifying and assessing risks, their control

and monitoring, and reporting.

Taking into account potential conflicts of interest, it is established that, for a clear allocation of tasks, responsibilities, and authorities for risk management among all structural units and employees of the Company, the risk management system is based on the "three lines of defense" model:

a) **first line of defense** — structural units directly responsible for the provision of the Company's services. These units assume risks and promptly remediate identified risks, as well as provide reports on current risk management;

b) **second line of defense** — structural units responsible for risk management, as well as other units performing control functions. These units identify and manage risks;

c) **third line of defense** — the Internal Audit Service. This unit reviews and evaluates the risk management system.

It is also established that, after identification and assessment of risk incidents, one of the following methods is selected:

1. **Acceptance** — permitted when risks are within the risk appetite/internal limit thresholds. In this case, no measures are taken to reduce the potential probability or impact;

2. **Mitigation** — taking measures to reduce the potential probability of the risk or its impact to the required level;

3. **Avoidance** — taking measures to exit from (or refrain from) activities/operations that create a critical level of risk;

4. **Transfer** — reducing risk by transferring part of it to a third party or an insurance company, or otherwise allocating/transferring the risk.

The Policy takes into account processes for managing various types of financial and non-financial risks, which differ by place and time of occurrence, level of impact, external and internal factors, and by methods of analysis and assessment.

At the same time, the main participants in the risk management system, their functions, and the procedures for their interaction are defined.

## **6.2. Procedure for the classification of asset quality in the Company, the formation of provisions to cover possible losses on assets, and their use**

In accordance with the Regulation, the Company classifies the quality of the following assets and creates provisions to cover potential losses on them:

- a) long-term investments;
- b) long-term accounts receivable and prepaid (deferred) expense accounts;
- c) accounts receivable;
- d) receivables from designated units, subsidiaries, and affiliates;
- e) advances to employees;
- f) advances to suppliers and contractors;
- g) employees' other receivables;
- h) receivables from other debtors;
- i) cash in settlement (current) bank accounts;
- j) cash in special bank accounts;
- k) short-term investments;
- l) other current assets;
- m) guarantees issued;
- n) other assets and off-balance-sheet items exposed to credit risk.

### **6.3. Company risk appetite statement**

Based on the Risk Appetite Statement, a register of the Company's material risks is formed, and a monitoring and control system is implemented taking into account low, medium, and high risk levels.

The Company, on an ongoing basis, assesses the status of the main types of risks that negatively or positively affect the achievement of the strategic goals and the business plan indicators, namely:

- credit risk;
- liquidity risk;
- market risk;
- operational risk.

Reporting on the current status of the indicators established in the Risk Appetite Statement is organized for submission to the Company's executive body and Supervisory Board, and through an early warning indicator system, potential losses are reduced and/or prevented.

#### 6.4. List of category 1 and category 2 risks of the Company

№	Names of risks	Risk level	Area of impact	Responsible structural unit
1	Capital coverage of the problematic portion of guarantees by the Company's capital	High risk	Financial activities	Department for the provision of guarantees, Asset management department, Department for monitoring and work with problem assets, Risk management department.
2	Formation of provisions to cover potential losses	High risk	Financial activities	Risk Management Department, Accounting and reporting department, Business process digitalization department, Internal audit service.
3	Problematic portion of suretyship / guarantee funds	High risk	Financial activities	Risk management department, Accounting and reporting department, Business process digitalization department, Internal audit service.
4	Share of problematic guarantees	High risk	Financial activities	Department for the provision of guarantees, Department for monitoring and work with problem assets.
5	Capital adequacy	Medium risk	Financial activities	Asset management department, All business units.
6	International rating level	High risk	Financial activities / Reputation	Asset management department, All business units.
7	National rating level	High risk	Financial activities / Reputation	Department of strategic development and comprehensive analysis, Department of international cooperation and investment attraction.
8	Degree of automation of the products developed by the Company	High risk	Operational Activities	Business process digitalization department, Structural units responsible for the provision of the Company's services.
9	Degree of automation of reporting	High risk	Operational Activities	Business process digitalization department, All structural units of the Company.
10	Placement of backup servers in a building separate from the main one	High risk	Operational Activities	Business process digitalization department, Compliance control service.

## **IV. APPENDICES**