

“APPROVED”

Annex to Resolution No. 3-2024 of the Sole
Shareholder of JSC “Entrepreneurship
Development Company”
dated May 13, 2024

“AGREED”

Annex to Minutes No. 5/24
of the Supervisory Board of JSC
“Entrepreneurship Development Company”
dated April 29, 2024

**DEVELOPMENT STRATEGY
of JSC “Entrepreneurship Development Company”
for 2024–2026**

Tashkent – 2024

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I. INTRODUCTION



Raising the development of entrepreneurship to an even higher level is our priority task.¹

In the context of persistently high interest rates on resources in the financial market of the Republic of Uzbekistan, as well as global economic uncertainty, and in order to create new and alternative instruments for financing entrepreneurial projects, meet growing needs in line with modern trends in the financial market, and ensure more balanced development of the financial support system, the Development Strategy of Joint Stock Company “Entrepreneurship Development Company” (hereinafter referred to as the Company) for 2024–2026 (hereinafter referred to as the Strategy) has been developed.

In this process, reports of international financial institutions, foreign experience of countries in supporting small and medium-sized businesses, as well as national forecasts of macroeconomic indicators were studied.

The Strategy includes aspects of future support by the Company, in particular issues of increasing the efficiency of the assistance provided, ensuring effectiveness, expanding financing opportunities for “green” projects, as well as ensuring transparency of activities.

Achievement of the strategic goals will make it possible to ensure a sustainable level of development of the Company as a commercial organization, further enhance its competitiveness, and improve the system of decision-making and risk management.

This Strategy has been developed taking into account the real prospects and potential of the Company and includes clearly defined corporate objectives for 2024–2026, coordinating all actions aimed at achieving strategic corporate goals.

¹ Speech of the President of the Republic of Uzbekistan, Shavkat Mirziyoev, at the meeting with entrepreneurs held in the format of an open dialogue in 2023.

II. COMPANY ACTIVITIES

2.1 History

On the basis of the Decree of the President of the Republic of Uzbekistan dated November 10, 2023 No. PF-193 **“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” with the Ministry of Economy and Finance as the founder.

The authorized capital of the Company is set at **300 billion UZS**.

The state’s share in the authorized capital amounts to 100%, with the Ministry of Economy and Finance being the sole shareholder of the Company.

The history of the Company’s development is presented in the chart below.

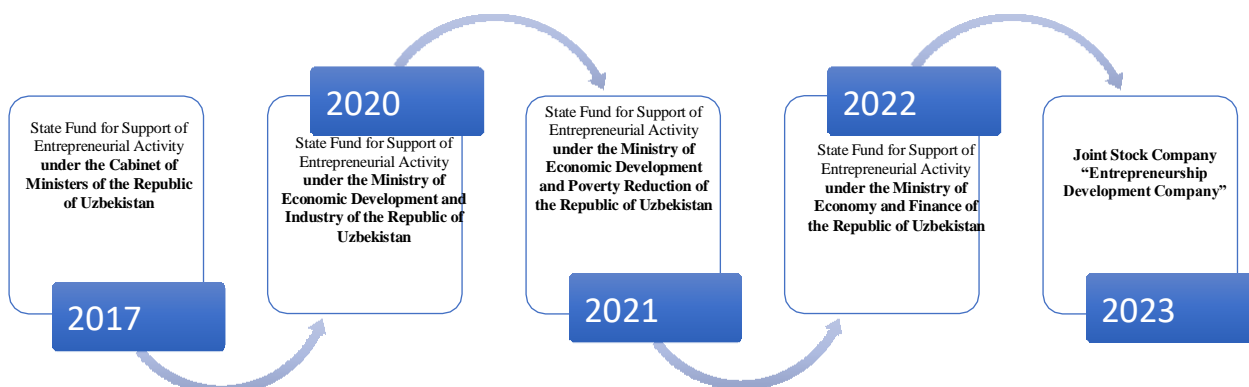


Figure 1. History of the Establishment of the Joint Stock Company “Entrepreneurship Development Company”

As a result of the open dialogue of the President of the Republic of Uzbekistan with entrepreneurs and business representatives held in 2023, instructions were given to improve the activities of the State Fund for the Support of Entrepreneurial Activity, to commence operations based on new mechanisms, and to establish the Joint Stock Company “Entrepreneurship Development Company.”

Measures to implement these instructions were defined by the Resolution of the President of the Republic of Uzbekistan dated September 4, 2023 No. PQ-292 “On Measures to Implement the Tasks Defined in the Open Dialogue of the President of the Republic of Uzbekistan with Entrepreneurs in 2023.”

At the same time, the recommendations provided by the World Bank and the Asian Development Bank were taken into account in terms of bringing the State Fund for the Support of Entrepreneurial Activity into compliance with international standards.

The assessment of the compliance of the loans of the State Fund for the Support of Entrepreneurial Activity with the World Bank's principles of global guarantees was carried out in the following areas:

- the sufficiency of the regulatory and legal framework;
- corporate governance and risk management practices;
- the structure of operations;
- project evaluation and monitoring.

At present, the Company has a Supervisory Board acting as a governing body, consisting of 7 members.

Nr.	Names of the Board Members	Role in the Board
A	1	2
1.	Kuchkarov Jamshid Anvarovich	Chairman of the Board
2.	Khaydarov Abdulaziz Abdulahadovich	Board Member
3.	Ubaydullaev Mirzokhid Murodilovich	Board Member
4.	Urokov Jamshed Rajabovich	Board Member
5.	Trofimova Yekaterina Vladimirovna	Independent Board Member
6.	Manohari Gunawardhena	Independent Board Member
7.	Sultonov Tulkin Tolibovich	Independent Board Member

Table 1 — Composition of the Supervisory Board of JSC "Entrepreneurship Development Company".

The executive body of the Company organizes the Company's activities.

The executive body of the Company is the Director of the Company.

By the decision of the sole shareholder of the Company, the organizational structure of the Company has been approved. According to the approved structure, the number of staff positions amounts to 106 people.

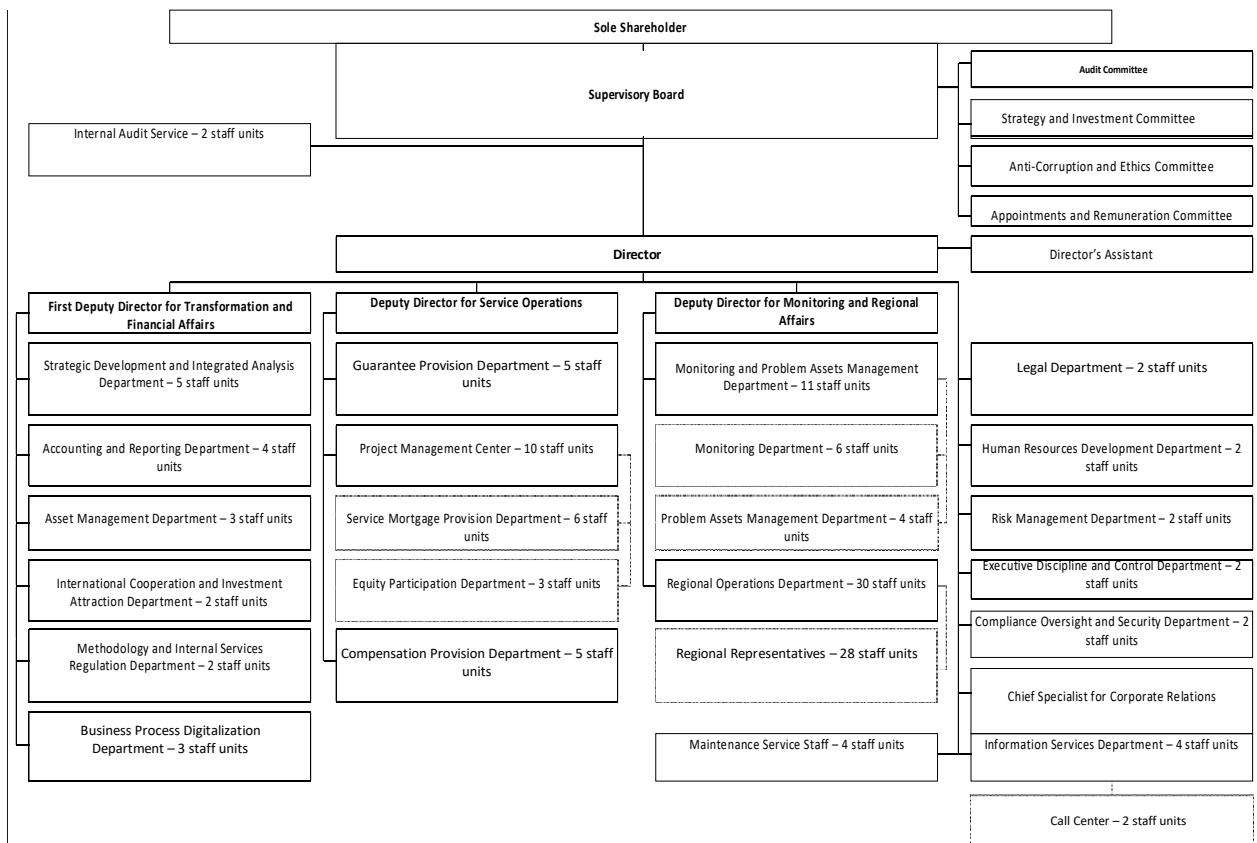


Fig. 1. Organizational structure of the Joint Stock Company “Entrepreneurship Development Company”.

Within the scope of its powers, the Central Bank exercises supervision and regulation over the Company’s activities.

Mission

The mission of the Company is, while preserving the most advanced practices accumulated over the past period, to elevate the quality of services provided to entrepreneurs to a completely new level, to maintain leading positions in the republic in the field of providing modern and high-tech services, and, by strengthening mutually beneficial partnerships with entrepreneurs based on mutual respect, trust, and transparency, through the provision of a wide range of services, to achieve the harmonization of the interests of clients and the Company.

In order to ensure sustainability in the provision of financial support, the Company implements the following objectives.

firstly, by introducing modern international standards, it improves the Company’s corporate governance;

secondly, under conditions of liberalization of economic policy, it ensures sustainable development of the sector, the Company’s profitability, and its financial stability;

thirdly, it increases the level of automation and digitalization of all areas of the Company’s activities;

fourthly, it introduces advanced corporate governance tools into service delivery practice;

fifthly, it strengthens the human resources potential of the sector through the training, retraining, and advanced professional development of personnel based on advanced, innovative, and scientific-pedagogical technologies;

sixthly, it improves the financial system and management through the introduction of modern information and communication technologies for the effective functioning of the internal market;

seventhly, it enhances the investment attractiveness of the Company in order to attract long-term foreign direct investments.

In the long term, the Company sets the goal of increasing its share in the financial market and improving the quality of the services provided, having identified the main strategic development directions for achieving these goals.

Along with improving the quality of service delivery, expanding the volume of products and developing e-commerce are among the priority objectives of this Strategy. The Company's three-year plan proposes expansion of financial support volumes through the attraction of foreign credit lines and an increase in market share through the provision of services to entrepreneurs.

On the basis of the Resolution of the President of the Republic of Uzbekistan dated September 4, 2023 No. PP-292, the Company expands support for "green" and energy-efficient projects, giving priority to servicing small and medium-sized business entities.

The Company sets itself the goal of becoming the main institution for financing entrepreneurial activity on preferential terms.

Goal

The main goal of the Company is to finance business projects in the priority areas of socio-economic development of the Republic.

Priority Areas

The priority areas of the Company's activities are as follows:

1) the introduction of additional support instruments aimed at comprehensive support of small and medium-sized business entities based on their demand and needs, as well as the expansion of entrepreneurs' opportunities to use support measures;

2) the attraction of financial resources from local and international capital markets, including funds from international financial institutions and foreign governmental financial organizations;

- 3) participation in the implementation of state, sectoral, and territorial programs, projects, and activities aimed at the development of small and medium-sized businesses and job creation;
- 4) support for the innovative activities of small and medium-sized business entities, stimulation of the creation and production of new types of products, as well as the introduction of efficient new technologies into production activities;
- 5) provision of financial support to projects of self-employed individuals based on the types of activities (works, services) they perform;
- 6) broad support for the introduction of "green" and energy-saving technologies, as well as renewable energy sources in the fields of service delivery, production, and cultivation of products;
- 7) intensification of efforts to prevent climate change jointly with international and local experts;
- 8) special attention to supporting women, youth, and business entities operating in remote areas.

III. MACROECONOMICS, INTERNAL ANALYSIS AND FORECASTS

Main Directions of Development of the Republic of Uzbekistan

According to the Statistics Agency under the President, as of the end of 2023, the gross domestic product of Uzbekistan in current prices amounted to 1.07 quadrillion UZS.

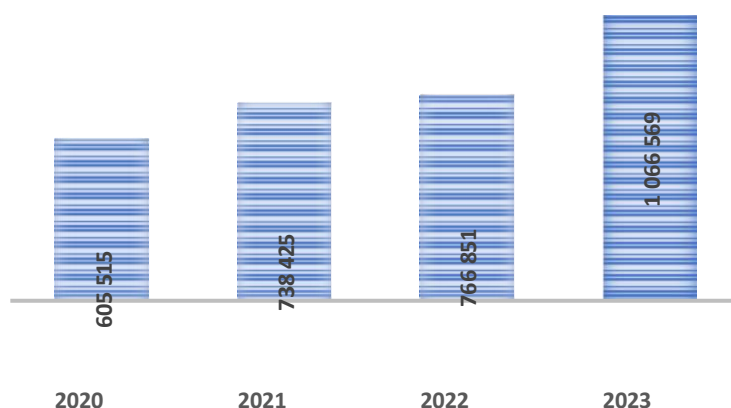
Economic growth compared to the level of 2022 reached 6 percent. Based on the average annual exchange rate of the US dollar (11,741 UZS), nominal GDP for the past year amounted to USD 90.8 billion, which is USD 10.4 billion higher than in 2022.

Gross domestic product per capita amounted to 28.98 million UZS (approximately USD 2,468). This indicator increased by 4.07 million UZS, or by 16.3 percent (by 9.4 percent or USD 213).

Industrial growth amounted to 6 percent — 655.8 trillion UZS. In the total volume of industrial production, the share of manufacturing industry accounted for 84.4 percent, mining and quarrying — 8.4 percent, electricity, gas, steam, and air conditioning supply — 6.7 percent, water supply, sewerage, waste collection and disposal — 0.5 percent.

The volume of agriculture, forestry, and fisheries increased by 4.1 percent and amounted to 426.3 trillion UZS. Analysis by categories of agricultural entities shows that 63.1 percent of total agricultural output accounts for dehkan and subsidiary households, 29.8 percent for individual farms, and 7.1 percent for agricultural organizations.

The construction sector grew by 6.4 percent (to 149.86 trillion UZS), while the service sector grew by 6.8 percent (to 470.3 trillion UZS).



From this chart, it can be seen that the GDP of the Republic of Uzbekistan shows a trend of stable growth.

In the structure of this GDP, the share of small business entities is high.

Chart 1. Changes in the GDP of the Republic of Uzbekistan (billion UZS)³

³ Source: www.stat.uz

Unofficial translation.

For the current year, as well as for 2025–2026, economic growth is respectively projected at the levels of 5.8, 6.2, and 6.4 percent; growth in industry — 6 percent, in the service sector — 6.1 percent, and in agriculture — 4 percent. It is expected that the achievement of these indicators will be ensured through the “qualitative continuation of the structural reforms initiated in each sector.”

Inflation is projected to be 8–10 percent in 2024, 7.5–8.5 percent in 2025, and 5.7 percent in 2026.

Nr.	Indicators	Forecast for 2024	Target Benchmarks	
			2025	2026
A	1	2	3	4
1.	Gross Domestic Product, billion UZS	1 301 759	1 540 547	1 725 969
2.	Growth rate of Gross Domestic Product, percent	5,6 — 5,8	6,2	6,4
3.	Consumer Price Index relative to December of the previous year, percent	8 — 10	7,5 — 8,5	5 — 7
4.	Growth rate of industrial production, percent	6,0	7,6	7,5
5.	Growth rate of production in agriculture, forestry, and fisheries, percent	4,0	4,1	4,1
6.	Growth rate of service provision, percent	6,1	6,4	6,7

Table 2. Forecast of Macroeconomic Indicators of the Republic of Uzbekistan (billion UZS)⁵

Main Directions of State Policy on Supporting Entrepreneurship

At present, all conditions are being created in the Republic of Uzbekistan for the active development of small and medium-sized businesses. The implementation of a targeted and consistent policy for comprehensive support of small and medium-sized businesses is a priority area of the republic’s economic development.

The Company will continue its activities in line with the main directions of the state economic policy in the field of financial support for small and medium-sized businesses and the improvement of the population’s welfare.

The foundation of economic growth is the increase in long-term productivity, innovative development, diversification of production and exports, as well as the development of the country’s business sectors through the attraction and active use of external and internal resources.

By the Decree of the President of the Republic of Uzbekistan dated February 10, 2023 No. PF-21 “On Measures to Further Improve the Criteria for Classifying Business Entities into Categories, as well as Tax Policy and Tax Administration,” the categories of

⁵ Law of the Republic of Uzbekistan No. URQ-886 dated December 25, 2023.

business entities were determined.

On the basis of this Decree, the categories of business entities were established.

Small Business Entities*	Medium-Sized Business Entities	Large Business Entities
<ul style="list-style-type: none"> individual entrepreneurs microfirms small enterprises 	<ul style="list-style-type: none"> business entities with total annual revenue during the calendar year from 10 billion UZS to 100 billion UZS 	<ul style="list-style-type: none"> business entities with total annual revenue during the calendar year of 100 billion UZS and above

Figure 3. Categories of business entities

***Microfirms** are business entities whose founders are individuals and whose total annual revenue during the calendar year does not exceed 1 billion UZS; **small enterprises** are business entities whose total annual revenue during the calendar year ranges from 1 billion UZS to 10 billion UZS and whose founders are legal entities.

All districts and cities are classified into 5 categories. Separate procedures are established for them with regard to taxes, subsidies, compensation of loan interest rates, provision of guarantees, and connection to infrastructure.

As a result of improvements in the business environment, the number of business entities with revenues exceeding USD 1 million increased by 5 thousand and reached 26 thousand. Another one thousand entrepreneurs increased their turnover from USD 1 million to USD 10 million, and the revenues of 220 entrepreneurs reached USD 100 million. The number of exporting enterprises amounted to 7.5 thousand, and the total export volume increased by 30 percent.

As a result of the reforms carried out, a steady growth in the number of active business entities is observed.

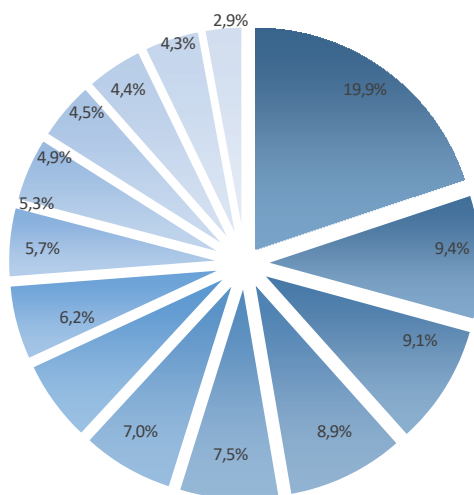
Names of the regions	Change				
	2021	2022	2023	2022 compared to 2021	2023 compared to 2022
Total	475 197	528 929	592 371	111%	112%
Tashkent City	95 951	105 603	117 812	110,1%	111,6%
Tashkent Region	46 173	50 296	55 472	108,9%	110,3%
Samarkand Region	38 946	46 667	54 163	119,8%	116,1%
Fergana Region	42 241	46 622	52 746	110,4%	113,1%
Andijan Region	36 726	40 474	44 658	110,2%	110,3%
Kashkadarya Region	30 180	36 168	41 612	119,8%	115,1%
Namangan Region	30 882	33 422	36 914	108,2%	110,4%
Bukhara Region	28 233	31 160	33 686	110,4%	108,1%
Surkhandarya Region	25 367	28 291	31 427	111,5%	111,1%
Khorezm Region	21 979	25 160	28 904	114,5%	114,9%
Republic of Karakalpakstan	21 968	23 721	26 692	108,0%	112,5%
Jizzakh Region	20 993	22 714	25 847	108,2%	113,8%
Navoi Region	20 133	22 711	25 179	112,8%	110,9%
Sirdarya Region	15 425	15 920	17 259	103,2%	108,4%

Table 3. Number of Active Business Entities in the Republic of Uzbekistan⁶

⁶ Source: www.stat.uz

As of the end of the previous year, the number of business entities in the city of Tashkent, as well as in the Tashkent, Samarkand, and Fergana regions, exceeds the indicators of other regions.

■ Tashkent City
■ Tashkent Region
■ Samarkand Region
■ Fergana Region
■ Andijan Region
■ Kashkadarya Region
■ Namangan Region
■ Bukhara Region
■ Surkhandarya Region
■ Khorezm Region
■ Republic of Karakalpakstan
■ Jizzakh Region
■ Navoi Region
■ Sirdarya Region

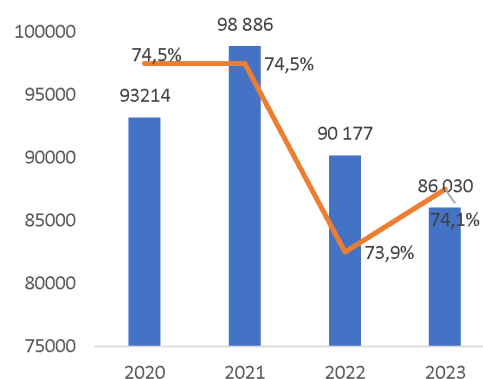


Tashkent City, as well as the Tashkent, Samarkand, Fergana, and Andijan regions, demonstrate a higher level of development of business entities compared to regions with less developed infrastructure.

Chart 2. Share of Business Entities⁵

From this chart, it can be seen that the establishment of new business entities contributes to the growth of employment (taking into account changes in other sectors).

Last year, 74.1 percent of employment was ensured in small business entities.



Newly Established Entities Share of Employment

Chart 3. Share of Business Entities⁶

In order to expand support for small and medium-sized businesses and create an integrated ecosystem, the following were adopted: the Resolution of the President of the Republic of Uzbekistan dated September 14, 2023 No. PP-306 "On Measures for Financial and Institutional Support for the Development of Small Business," the Decree of the President of the Republic of Uzbekistan dated November 10, 2023 No. PF-193 "On Measures to Improve the System of Financial Support for Small and Medium-Sized Businesses," as well as the Resolution dated November 11, 2023 "On Additional Measures for the Broad Involvement of the Population in Small and Medium-Sized Business."

In accordance with these regulatory legal documents, republican and local commissions were established for the broad involvement of the population in small and medium-sized businesses.

Specific measures were determined to achieve the main target indicators of the Company's activities.

The Resolution of the President of the Republic of Uzbekistan dated January 23, 2024 No. PP-39 "On Measures for the Introduction of a Sustainability Rating of Business Entities" was also adopted.

Within the framework of the rating, business entities are classified into the following categories:

- categories "AAA," "AA," and "A" — high sustainability rating;
- categories "BBB," "BB," and "B" — medium sustainability rating;
- categories "CCC," "CC," and "C" — satisfactory sustainability rating;
- category "D" — low sustainability rating.

The procedure for granting subsidies, benefits, and preferences to business

⁵ Source: www.stat.uz

⁶ Source: www.stat.uz

entities will be implemented based on the level of their rating.

Financial support Provided (2018–2023)

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

During 2018–2023, a total of 16.9 trillion UZS in financial support was allocated from the Fund to 46.9 thousand projects (including 10.3 trillion UZS in guarantees and 6.6 trillion UZS in compensations).

As a result of the support provided, the creation of 376.5 thousand new jobs was ensured. Compensation payments in the amount of 3.1 trillion UZS were made for 33,369 entrepreneurial projects.

Region name	Number of:			Amount of		Share of support	Share of loan
	entrepreneurs	projects	workplaces	support	loan		
1	2	3	4	5	6	7	8
TOTAL:	12 914	13 461	145 895	10 307,0	26 404,8	100%	39%
Khorezm Region	1 118	1 179	12 945	1 315,3	3 220	13%	41%
Tashkent Region	862	898	10 016	992,3	2 647	10%	37%
Tashkent City	671	705	8 263	917,5	2 463	9%	37%
Bukhara Region	983	1 032	9 398	855,2	2 555	8%	33%
Andijan Region	1 139	1 179	22 479	833,1	1 947	8%	43%
Surkhandarya Region	985	1 017	11 451	708,9	1 863	7%	38%
Fergana Region	1 266	1 319	14 417	725,0	2 103	7%	34%
Samarkand Region	890	931	8 122	576,2	1 413	6%	41%
Jizzakh Region	783	818	7 793	633,5	1 636	6%	39%
Kashkadarya Region	1 411	1 460	9 281	594,1	1 513	6%	39%
Namangan Region	945	970	10 199	556,3	1 269	5%	44%
Republic of Karakalpakstan	662	705	6 719	610,2	1 400	6%	44%
Sirdarya Region	693	717	9 027	557,1	1 300	5%	43%
Navoi Region	506	531	5 785	432,3	1 077	4%	40%

Table 4. Guarantee Support Provided in 2018–2023 (billion UZS).⁷

As a result of the provision of guarantee support:

the collateral coverage of entrepreneurs' loans in the amount exceeding 39.1 trillion UZS was improved, including support for loans in the amount of 26.4 trillion UZS;

more than 13 thousand entrepreneurial projects were supported.

⁷ Source: Company data
Unofficial translation.

conditions were created for the formation of about 146 thousand new jobs;
as a result of commissioning the projects, an increase in production capacity by 12 percent is expected;
support for “green” economy projects amounted to 5.2 percent;
19.7 percent of the assistance was allocated to projects of women and youth.

Region name	Number of:			Amount of:		Share of support
	entrepreneurs	projects	workplaces	support	loan	
1	2	3	4	5	6	7
TOTAL:	30 446	33 507	232 110	6 654,9	49 389,9	100%
Khorezm Region	3 146	3 534	19 457	764	4 862	11%
Tashkent Region	2 069	2 238	15 352	656	4 792	10%
Tashkent City	1 832	2 005	18 487	603	6 389	9%
Bukhara Region	2 598	2 889	16 815	696	5 142	10%
Andijan Region	2 319	2 515	34 246	530	3 798	8%
Surkhandarya Region	1 371	1 471	13 234	469	2 761	7%
Fergana Region	3 123	3 640	20 454	433	3 319	7%
Samarkand Region	3 630	3 889	21 020	506	4 443	8%
Jizzakh Region	1 957	2 174	15 023	387	2 796	6%
Kashkadarya Region	2 775	3 009	12 604	379	2 491	6%
Namangan Region	2 316	2 482	16 799	382	2 565	6%
Republic of Karakalpakstan	1 140	1 271	9 275	309	2 090	5%
Sirdarya Region	787	820	10 418	243	1 778	4%
Navoi Region	1 383	1 570	8 926	299	2 164	4%

Table 4. Compensation Support Provided in 2018–2023 (billion UZS)⁸

As a result of the provision of compensation support:
more than 33 thousand entrepreneurial projects were supported;
support was provided for loans in the amount of about 50 trillion UZS;
6.6 trillion UZS remained at the disposal of entrepreneurs;
conditions were created for the establishment of more than 232 thousand new jobs under the projects;
at least 30.3 percent of the assistance was directed to projects of women and youth;
priority was given to supporting “green” economy projects.

⁸ Source: Company data
Unofficial translation.

Experience

In the development of the Company, as well as in the field of supporting small and medium-sized business entities, both the specific features of the local market and foreign experience of state support for entrepreneurship are utilized.

In order to increase its potential, the Company studies the strategic directions and practical application of business support instruments of such organizations as the Korea Credit Guarantee Fund (KODIT) and the Korea SMEs and Startups Agency (KOSME), the Japan Finance Corporation, Kazakhstan's "Damu" Fund, Turkey's KOSGEB organization and the Credit Guarantee Fund, Hungary's Garantiqa Fund, the U.S. Small Business Administration (SBA), as well as similar structures in a number of other countries.

Observations of recent years and various statistical data indicate that in these countries small and medium-sized businesses occupy a significant share of GDP and play an important role in the economy.

The U.S. Small Business Administration (SBA) is a government organization that, in order to preserve free competition in entrepreneurship and to ensure the growth and strengthening of the country's overall economy, provides protection of the interests of small businesses, consulting services, support, and assistance.

The Korea Credit Guarantee Fund (KODIT) is a state financial institution established in 1976 in accordance with the provisions of the Act on the Korea Credit Guarantee Fund.

The purpose of KODIT is to ensure the development of the national economy by providing credit guarantees for the obligations of promising business entities that do not have sufficient collateral.

The Japan Finance Corporation was established under the Ministry of Foreign Trade and Industry, and its purpose is to provide small business entities with microloans in small amounts, for long terms, and without collateral.

The Joint Stock Company "Entrepreneurship Development Fund 'Damu'" was established in 1997. The sole shareholder of "Damu" is JSC "National Managing Holding 'Baiterek'."

Indicators	Korea ⁹	USA ¹⁰	Japan ¹¹	Turkey ¹²	Uzbekistan ¹³
1	2	3	4	5	6
Number of entrepreneurs	3 mln.	33 mln.	7.3 mln.	3.8 mln.	1,9 mln (including the self-

⁹ Source: www.kodit.co.kr

¹⁰ Source: www.sba.gov

¹¹ Source: www.jfc.go.jp

¹² Source: www.kosgeb.gov.tr

¹³ Source: www.stat.uz

employed)

Share of women entrepreneurs	17 %	42 %	21 %	35 %	27,9 %
Share of employed population	80 %	79,2 %	51,7 %	78,3 %	74 %
Share in GDP	51 %	44 %	53 %	68 %	53 %
State organization	Yes	Yes	Yes	Yes	Yes

Table 6. Level of Development of Entrepreneurial Activity in Foreign Countries.¹⁴

SWOT Analysis

The analysis of the external and internal environment identified the strengths and weaknesses of the Company, as well as the existing opportunities and threats, presented below.

S	Strengths	W	Weaknesses
	The sole shareholder is the Ministry of Economy and Finance;		Insufficiency of long-term resources;
	the presence of 6 years of experience in carrying out financial operations;		limited opportunities for using sources of direct foreign financing due to the Company being newly established;
	the availability of qualified employees who have worked in financial institutions;		implementation of socially oriented non-profit programs, which complicates the fulfillment of tasks related to ensuring the profitability of operations;
	the presence of a software system;		the presence of a relatively small portfolio within the country's financial system;
	a high level of income generation, stable growth of assets and interest income, and profitability of the Company;		a limited volume of the Company's financial services for micro and small entrepreneurs;
	long-term cooperation with foreign business support organizations;		the absence of an international credit rating at the sovereign level;
	independent implementation of support measures enabling comprehensive coverage of business support instruments at a high level;		growth of risks on the Company's assets as a result of the deterioration of the financial condition of partner organizations;

¹⁴ Source: Company data

the availability of a sufficient volume of assets for guarantee support;	participation in an unsaturated market with limited financial resources;
the ability to provide broad support for "green" economy projects (including existing and new types of assistance).	the absence of an implemented national "green" taxonomy of the economy to support "green" projects within the entrepreneurial information system.
O Opportunities	T Threats
growth in the income levels of the population and business entities;	weakening of the national currency;
an increase in demand for the Company's services (growth in the registration of new enterprises and expansion of consumer lending volumes);	reduction of state financing;
development of e-commerce in the Republic, as well as special emphasis on the development of e-commerce within the Company;	low level of entrepreneurs' qualifications in the field of business;
attraction of private investors to the Company's activities and regular diversification of funding sources;	intensification of inflationary processes (increase in prices for services, etc.);
unsaturated domestic market.	loss of clients as a result of unfair competition;
	the presence of risks associated with determining the impact of the Company and the economy in supporting "green" projects.

Table 6. Analysis of the Company's Activities

IV. Business Model (Main Development Areas)

Guarantee Financial Support

A guarantee is a surety agreement that places responsibility on the Company for the fulfillment of the borrower's obligations to a commercial bank.

On the basis of the Decree of the President of the Republic of Uzbekistan dated November 10, 2023 No. PF-193, the provision of guarantee support was expanded.

Previously, guarantee support was in fact provided only to small business entities for loans obtained in the national currency in an amount of up to 2.5 billion UZS (50% of the loan amount).

Under this Decree, the provision of guarantees has also been introduced for medium-sized businesses and self-employed citizens, while for small businesses

the guarantee amount has been retained at the level of 2.5 billion UZS, and the types of services are being expanded.

New types of services being introduced:

provision of guarantees for medium-sized businesses in the amount of up to 5 billion UZS;

introduction of guarantees for loans issued by microcredit and leasing organizations;

in addition to bank loans, guarantees are also provided for bank guarantees, letters of credit, and leasing;

guarantees are also provided for loans in foreign currency;

if an entrepreneur has previously used a Company guarantee, with a positive or higher credit history, reuse of the guarantee is allowed (previously, reuse was not allowed until full repayment of the loan);

in order to create convenience for entrepreneurs, portfolio guarantees under the Fund's liability are independently introduced by banks when providing guarantees (the processing period is reduced by 5 days compared to the current procedure).

A portfolio guarantee provides entrepreneurs with the following opportunities:

the use of loans even in the absence of sufficient collateral;

acceleration of the loan approval process in the presence of a bank guarantee;

reduction of the time spent on the assessment and registration of collateral;

acceleration of the registration of guarantees; increase in the number of guarantees provided;

reduction of overall administrative costs for the provision of guarantees;

engagement of staff for the implementation of other products and programs.

To provide financial support, the Company has developed and implemented the "Tadbirkor" information system.

Across the Republic, during 2024–2026, it is planned to provide guarantee support for about 4 thousand projects in the total amount of 2 trillion UZS, including 600 billion UZS in 2024.

For the provision of a guarantee, the Company receives commission income in the amount of up to 3 percent of the assumed obligation as a one-time payment or in the amount of 0.8 percent per year.

The executive body of the Company is entitled to reduce the amount of

intermediary remuneration for guarantees in priority areas, in particular when supporting the service sector and "green" economy projects.

Service Mortgage

A service mortgage is a special type of arrangement under which one party (the Company), on behalf of the second party (the project initiator), acquires ownership from a third party (the seller) of the property (the transaction object) specified in the service mortgage agreement and transfers it to the project initiator for use for a fee under the terms established by this agreement.

At the entrepreneur's request, the Company acquires real estate and equipment in an amount not exceeding 10 billion UZS (up to 70 percent of the value of the asset) and provides it to the initiator for a period of up to 7 years with the accrual of 18 percent on the outstanding balance or on installment terms, with subsequent transfer of ownership to the entrepreneur after full repayment of the debt.

The project initiator is determined through an open competition.

Medium-sized business entities that have been operating for more than 24 months and that have ensured permanent employment for at least 50 people during the last one year participate in the competition.

Under this new type of support for medium-sized business entities, it is planned to provide assistance for about 200 projects in the amount of 1.2 trillion UZS during 2024–2026, including 468 billion UZS in 2024.

When providing this support, the Company receives commission income in the amount of up to 0.6 percent of the amount of assistance provided to cover operating expenses.

To provide financial support, the Company has developed and is implementing the "Tadbirkor" information system.

When providing a service mortgage within the framework of an open competition, priority is given to projects that provide for the creation of a larger number of new jobs, a higher level of employees' wages, as well as the introduction of "green" and energy-saving technologies (equipment with low environmental impact and "green" buildings).

Provision of Resources

The provision of resources refers to borrowed funds provided by the Company to commercial banks, leasing, and microfinance organizations for the purpose of financing projects of small and medium-sized business entities, as well as self-employed persons.

For the production and cultivation of products, provision of services, and

the introduction of "green" and energy-saving technologies, credit resources in national and foreign currency are placed with commercial banks, microfinance, and leasing organizations.

As a result of the expansion of the resource base of banks, microfinance, and leasing organizations, self-employed persons, microbusinesses, and small and medium-sized business entities are provided with loans at an inclusive rate (planned at an average of up to 18–20 percent), which facilitates the transition of self-employed persons to microbusinesses, from microbusinesses to small businesses, and from small businesses to medium-sized business entities.

Contribution to Share Capital

Contribution to share capital is a type of support that provides for the acquisition of real estate, equipment, and other types of assets (transaction assets) in accordance with a share capital contribution agreement and entry into the project initiator's share capital as a participant through their provision.

A contribution in the form of an asset or cash in the amount of up to 3 billion UZS for a period of up to 7 years is made to the share capital of a medium-sized business entity that has been operating for more than 2 years and has ensured permanent employment for 50 people during the last one year, on a partnership basis.

The entrepreneur whose share capital receives the contribution is determined through an open competition.

The Company receives on average about 8 billion UZS per year in the form of dividends from the contributed share, and the share itself is sold to the project initiator or other potential investors within 7 years.

In 2024–2026, it is planned to provide support to more than 150 projects of medium-sized business entities in the amount of 400 billion UZS, including 168 billion UZS in 2024.

When providing this support, the Company receives commission income in the amount of up to 2 percent of the amount of assistance provided to cover operating expenses and contain risks.

To provide financial support, the Company has developed and is implementing the "Tadbirkor" information system.

When providing this support within the framework of an open competition, priority is given to projects that provide for the creation of a larger number of new jobs, higher levels of employee remuneration, as well as the introduction of "green" and energy-saving technologies (equipment with low environmental impact and "green" buildings).

Compensation

Compensation is the reimbursement of a portion of interest expenses on loans (leasing) of commercial banks at the expense of the Credit Interest Expense Compensation Fund established under the Ministry of Economy and Finance (hereinafter referred to as the Fund).

To provide financial support, the Company has developed and implemented the "Tadbirkor" information system.

In 2024–2026, compensation is provided to small business entities for loans in the amount of up to 5 billion UZS and at a rate of up to 1.75 times the Central Bank base rate, while the portion of the interest rate exceeding the Central Bank base rate by 4 percentage points, depending on the regional category, is compensated under the "1+2" principle in the amount of 30 or 40 percent of the base rate, respectively.

At the same time, compensation is initially provided for the first year of lending, and if the entrepreneur fulfills the job creation plan and increases turnover by 15 percent, the compensation is extended for the subsequent two years.

The right to manage the funds of the "Credit Interest Expense Compensation Fund" has been transferred to the Company.

For small business entities in 2024–2026, it is planned to provide support for more than 1.6 thousand projects in the amount of 450 billion UZS, including 150 billion UZS in 2024.

In return, the Company receives a one-time commission income in the amount of 2 percent of the amount of the assumed compensation obligation.

On the basis of the Decree of the President of the Republic of Uzbekistan dated November 10, 2023 No. PF-193, the provision of compensation was divided into two main groups. These groups are:

- for small business entities with a period of activity of up to three years — compensation of interest expenses on loans up to 3 billion UZS;

- for small business entities regardless of the period of their activity — compensation of interest expenses on loans up to 5 billion UZS.

The areas in which compensation is provided to small business entities regardless of the period of their establishment are determined by the Supervisory Board of the Company. As a result, to date, the possibility of broad support for "green" projects has been created.

V. STRATEGIC PRIORITY GOALS

To ensure the necessary funding base, the Company uses various borrowing instruments in domestic and international markets — loans from international financial institutions are attracted, as well as funds raised through the issuance of bonds.

The Company will continue cooperation with existing partners — the Asian Development Bank, the World Bank, and the European Bank for Reconstruction and Development, and will also establish cooperation with new potential investors representing international financial institutions and investment funds.

In 2024–2025, in order to finance projects in the service sector and “green” and energy-efficient projects for the purpose of providing financial resources to commercial banks, microfinance organizations, and leasing companies, the Company plans to attract USD 100 million from international financial institutions.

At the same time, support measures for “green projects” will be expanded.

In order to support small businesses, the Company plans to implement a project for financing micro and small businesses through microfinance organizations in the amount of USD 50 million at the expense of funds from the Asian Development Bank.

In 2024, the volume of attracted funds will amount to 4,330.2 billion UZS. In particular:

funds transferred from the State Fund for the Support of Entrepreneurial Activity for guarantee leverage — 965.2 billion UZS;

State Budget funds for replenishment of share capital — 300 billion UZS;

budget loans from the State Budget for equity participation and provision of service mortgage support — 1,200 billion UZS;

credit resources of international financial institutions — 1,200 billion UZS (USD 100 million);

funds of the Asian Development Fund for the implementation of the APEX microfinancing system — 625 billion UZS (USD 50 million).

The Company’s Development Strategy for 2024–2026 reflects plans to achieve high performance in the financial services market using its own potential and competitive advantages.

To ensure the directions of the forthcoming reforms, the following strategic goals have been determined through the end of 2026:

a) Launch of the Company's e-commerce.

Automation of business processes through the introduction of remote services and modernization of the "Tadbirkor" information system;

encouraging entrepreneurs to use remote types of the Company's services, introduction of modern contactless payment methods;

study of advanced international experience in the Company's activities, introduction of new types of services and products.

b) Bringing the services provided by the Company to entrepreneurs to a qualitatively new level, further strengthening mutually beneficial cooperation with them based on trust and transparency.

To achieve this goal, the following measures will be implemented:

expansion of the Company's service network taking into account the potential of regional representatives, increasing coverage of entrepreneurs and ensuring their continuous coordination;

enhancing the Company's attractiveness, as well as the activity and effectiveness of advertising;

wide introduction of information and consulting services for clients on entrepreneurial activity and adoption of measures to improve their financial literacy;

implementation of a system for assessing the quality of customer service by employees, as well as a system of incentives and penalties (disciplinary measures) based on the results of such assessment;

introduction of a system of regular adaptation of the Company's services based on client demand and needs, as well as taking into account their economic and territorial capabilities.

c) Expansion of the Company's investment activity volumes and financing of projects for production modernization, technical and technological re-equipment, as well as ensuring sustainable growth of the Company's assets while continuously maintaining their high quality.

To achieve this strategic goal, the Company plans to:

purposefully increase the volume of financing of investment projects while maintaining and improving the quality of the guarantee portfolio;

introduce a mechanism for in-depth risk management analysis, diversify the guarantee portfolio, implement new requirements for the classification and assessment of financial assets based on IFRS 9, improve the quality of the Company's financial reporting, as well as enhance the system for monitoring asset quality with due consideration of measures to prevent the emergence of non-

performing debt;

study the experience of leading global companies and funds, develop modern methods of scoring analysis of the financial condition of entrepreneurs with special consideration of their future cash flows and financial prospects, as well as introduce the practice of determining loan interest rates based on the level of project risk and the period of its implementation;

develop and implement a system of incentives for managers and employees directly working with entrepreneurs (on financing issues), taking into account the profitability of the active operations carried out by them and the effectiveness of investment projects.

d) Improvement of the Company's risk management system will be carried out on a permanent basis and will cover the following areas:

improvement of the Company's risk management system in accordance with global risk management standards through the engagement of technical assistance from international financial institutions and foreign experts;

phased reduction of the impact of the human factor in the Company's risk management process;

ensuring the continuous professional development of employees of the structural unit responsible for the Company's risk management;

introduction of a system of limits for each type of activity based on its level of risk, as well as the creation of a system of early warning of the relevant structural divisions of the Company, the Deputy Directors coordinating the work of these divisions, Members of the Board, and, if necessary, the Strategy and Investment Committee of the Company, depending on the nature and scale of the risk, when indicators approach the established limits, with full automation of these processes.

In addition, when providing support, the Company will carry out efforts to identify emergency situations, in particular the risks of natural disasters, floods, droughts, and earthquakes.

e) Improvement of the foundations of effective personnel management of the Company.

In this area, the following tasks in the field of human resource management have been set forth:

formation and continuous improvement of the Company's human resource management policy with effective use of advanced international experience;

development of an effective system of communication between structural divisions, management, and employees;

improvement of training programs for enhancing employees' qualifications,

organization of experience exchange with foreign organizations based on advanced international practices, as well as formation of high internal personnel mobility;

improvement of the system of recruitment, placement of personnel, and the level of remuneration necessary for their motivation;

improvement of the employee incentive (KPI) system in accordance with their contribution to the Company's development (performance);

facilitation of the adaptation process of young specialists and introduction of the "mentor–trainee" system in order to improve work with the talent pool;

organization of seminars and training sessions on the implementation of new types of support, in particular support for entrepreneurship among women and youth, in remote regions, as well as support for "green" projects.

f) Ensuring an increase in the level of the Company's capitalization through an increase in the share capital, as well as through annual net profit. Gradual enhancement of capital adequacy based on international standards (Basel Committee).

To ensure the achievement of this strategic goal, the Company plans to:

increase its own capital through the additional issuance of shares, increase of their nominal value, and allocation of the Company's net profit to its own capital;

ensure a capital adequacy ratio above the regulatory requirements taking into account the established rates of asset growth;

along with increasing the level of capitalization, ensure a high return on capital.

g) In order to ensure the Company's liquidity — further optimization of the structure of assets and liabilities and strengthening of the Company's long-term resource base.

To ensure the achievement of this strategic goal, the Company plans to:

on an ongoing basis place free cash funds in long-term deposits through negotiations with various organizations;

attract funds from international financial institutions by establishing mutually beneficial cooperation with them;

optimize the structure of the Company's assets and liabilities by maturity, as well as diversify them by terms and sources;

on the basis of the Resolution of the President of the Republic of Uzbekistan dated November 15, 2023 No. PP-366, issue bonds (Eurobonds) on international capital markets in the amount of USD 300 million by the end of

2026.

h) Improvement of the corporate governance system based on international management methods and principles, as well as the National Corporate Governance Code.

To ensure the achievement of this strategic goal, the Company plans to:

improve the system of medium- and long-term strategic planning, as well as ensure the annual implementation of this Strategy;

improve internal control procedures to ensure the reliability and accuracy of financial reporting, as well as the legality of the Company's activities;

establish a procedure for identifying and eliminating conflicts of interest and ensure its observance by all employees of the Company regardless of their position;

clarify the list of information and documents subject to timely and regular disclosure;

achieve the Company's compliance with the international ISO standard in the field of quality management systems and ensure full compliance with its requirements.

i) Improvement of the internal audit service and ensuring security, introduction of international standards for combating money laundering and the financing of terrorism.

To achieve this strategic goal, it is planned to:

continuously improve the internal audit service and ensure compliance with internal audit rules;

improve the practice of identifying suspicious and doubtful transactions within the internal audit service, as well as introduce and expand the use of advanced technologies and software to ensure information security and the confidentiality of customer data.

j) Broad Support for "Green" Projects

On the basis of the Decree of the President of the Republic of Uzbekistan No. PF-193, the Company's powers to support "green" economy projects have been additionally expanded.

Support for "green" economy projects within the framework of the Company's functions of providing financial support to small and medium-sized business entities and state support is one of its distinctive features.

The Company plans to attract USD 100 million from international financial institutions to finance "green" projects. These funds will be directed to financing projects of micro, small, and medium-sized private businesses.

The Company plans to introduce separate types of support for financing “green” projects, which is an important factor in supporting business entities.

In addition, local enterprises, by using environmental protection initiatives and “green” technologies, are gradually shifting production toward environmentally clean directions.

The Company provides support for the following areas:

water conservation;

efficient use of waste and wastewater;

resource conservation and resource restoration;

sustainable tourism;

enhancement of energy efficiency at operating and newly constructed industrial facilities.

Type of Support	Beneficiaries	Number of Projects	Support Provided
Guarantee Support	Small business entities	2 302	479
Compensation Support		1 067	814

Table 7. Green projects supported by the Company (billion UZS)

At present, the Company provides compensation support on a priority basis to “green” projects.

Nr.	Areas	Projects within the total number of projects
A	1	2
1	Waste processing and prevention of environmental pollution	projects related to the recycling of solid household waste; projects related to waste transportation and storage;
1	Production of renewable and environmentally friendly energy sources	solar energy projects; wind energy projects; projects for the generation of electricity from biomass; projects on smart power grids; other projects;
2	Improvement of local water supply systems	engineering projects for drinking water safety; water-saving projects;

3	Energy saving in construction works or construction of "green" buildings	projects on "green" transformation of construction works carried out in existing buildings; projects for the construction, operation, and maintenance of green ecological facilities;
4	Introduction of environmentally friendly transport systems	public eco-transport projects; special-purpose transport for environmental protection;
5	Provision of services to energy-saving and environmental protection projects	services for renewable energy technologies; environmental protection services; water management services;
6	Support for "green" investments	projects to support private investors in the implementation of "green" innovations;
7	Digitalization and training in the field of energy saving and environmentally friendly operations	projects for the development of green infrastructure; projects related to the digitalization of services; projects for training and consulting services aimed at transition to a green economy.

Table 8. Priority Areas for the Provision of Compensation¹⁵

For 2024–2026, the Company plans to allocate at least 30 percent of all types of assistance to these purposes.

The Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated October 25, 2023 No. 561 "On Approval of the National Taxonomy of the 'Green' Economy" provides for the introduction of specific types of support or services by categories and sectors of the National Taxonomy of the "Green" Economy.

In addition, information on the projected (and actually achieved) "green" effects, results, and the assistance provided will be disclosed in detail to the general public through the Company's official website and social media.

The Company has sufficient experience in the field of supporting "green" projects. As the State Fund for the Support of Entrepreneurial Activity, the Company provided compensation and guarantee financial support in the Republic of Karakalpakstan, the regions, and the city of Tashkent.

It is expected that, based on this experience and actions for the "integration of green factors," the Company will be able to expand its "green" portfolio without difficulty. On this basis, the initial targets that the Company seeks to achieve have been determined:

¹⁵ Source: Company data
Unofficial translation.

No	Names of indicators:	2024	2025	2026
	Share of "green" projects in the total volume of obligations by product groups:	10%	25%	35%
1	- Compensation	30%	30%	35%
2	- Guarantee	7%	10%	25%
3	- Resources	20%	40%	60%
4	- Service mortgage	4%	11%	15%
5	- Contribution to capital	3%	10%	15%
6	New "green" financial products have been launched.	-	2 products	1 product

Table 9. Forecast for the support of "green" projects.¹⁶

In order to achieve results in the current year, the program for developing a new product will be observed. At the same time, the introduction of a new "green" financial product is envisaged for 2024–2026.

In particular, it is planned to provide entrepreneurs with assistance in the form of direct lending for the launch of "green" projects. In addition, within the framework of guarantee support, a type of service aimed at the development of "green" projects will also be launched.

For the purpose of assessing the expected "green" effect (benefits) of projects in 2024, the development of an organizational support plan is envisaged, within the framework of which:

training sessions will be held aimed at improving employees' knowledge on the verification of "green" investments;

on the basis of advanced international experience or relevant projects, an internal "definition of green projects" will be developed based on the National Green Taxonomy; a business planning strategy will be developed to identify enterprises and sectors with high potential;

requirements for new documents necessary for "green" investments, as well as relevant verification procedures and data monitoring systems, will be formalized;

the task of coordinating "green" economy issues will be assigned to the First Deputy Director of the Company for Transformation and Finance, and a Working Group will be established under his leadership.

Based on this strategy, the Company will begin implementing a three-year

¹⁶ Source: Company data
Unofficial translation.

action plan to achieve results with specific practical steps.

In supporting "green" projects with the involvement of public activists, the Company will pay attention to the following issues:

- bringing information on measures to support "green" projects and types of assistance provided to entrepreneurs;

- discussing the results of the support provided to "green" projects;

- considering work on adapting the information system to the taxonomy;
direct work with project initiators.

The Company will regularly publish on its official website and on social media information on the results achieved within the framework of supporting "green" projects and on their impact on the environment.

k) Areas for the introduction of new types of support and services

"Green" projects. Within the framework of the project for the development of "green" industrialization in Uzbekistan, the Company is developing projects under the program "Support for Ideas of Green Startup Projects."

At the same time, primary attention should be focused on projects:

- based on renewable energy sources;

- aimed at the distribution and management of electricity generated by solar panels;

- focused on the purification of water bodies affected by industrial wastewater using innovative plants;

- aimed at increasing the efficiency of solar panels through their mobility;

- ensuring the treatment and reuse of wastewater from industrial enterprises;

- aimed at reducing the number of harmful particles in the air, the volume and composition of harmful gases, as well as improving air humidity.

A transition to a "green" economy is underway with a gradual increase in the indicators of the use of renewable energy sources.

Women. Projects will be developed aimed at strengthening the system of support for women, ensuring their rights and legitimate interests, enhancing their social, economic, and political activity, as well as ensuring gender equality.

Projects will be prepared aimed at increasing the activity of women in the economic life of the country, comprehensive support for women's entrepreneurship, and training women in entrepreneurial skills.

Youth. The Presidential Decree "On the State Program for the Implementation of the Strategy 'Uzbekistan – 2030' in the Year of 'Support for Youth and Business'" has been adopted. In accordance with the Decree, the

creation of additional opportunities for youth to engage in entrepreneurial activity is envisaged.

In particular, within the framework of the family entrepreneurship program, it is established that at least 40 percent of allocated loans are directed to the development of youth entrepreneurship.

Under the Company's Strategy, when implementing projects to support youth and to involve the population in entrepreneurial activity, special attention is envisaged to be paid to financing youth entrepreneurial projects in "Youth Industrial and Entrepreneurial Zones."

The development of products supporting promising business projects and ideas of youth is envisaged. At the same time, special attention is planned to be given to the projects and ideas of young entrepreneurs with disabilities.

Support for entrepreneurs in remote regions. The development of dedicated products is envisaged aimed at supporting the population and business entities planning to establish entrepreneurial activity in remote and hard-to-reach areas.

In remote territories, taking into account their specialization, it is necessary to provide for the development of products aimed at launching production activities for entrepreneurs (home-based work, sewing workshops, and other types of activities) that are beneficial to the population, that is, ensuring employment for unemployed citizens in mahallas.

l) Digitalization and diversification of the provided financial support

ensuring full digitalization of the Company's support provision processes;
modernization of the "Tadbirkor" information system; launch of the Company's mobile application;
ensuring prompt delivery of the Company's support to entrepreneurs;
automation of activities aimed at improving the quality and efficiency of service delivery.

m) Measures for International Cooperation:

allocation by the Company of financial resources to commercial banks, microfinance and leasing organizations for financing projects in the service sector and "green" and energy-efficient projects;
attraction of international financial institutions, commercial banks, and other private investors to participate in the Company's share capital;
attraction of borrowed funds from international financial institutions and organizations;

- ensuring growth in the profitability of attracted funds;
- carrying out official foreign business trips for the purpose of in-depth study of international experience.

n) Accounting Policy and Asset Management:

- maintenance of the Company's financial reporting in accordance with national accounting standards (NAS) and International Financial Reporting Standards (IFRS), taking into account new requirements for the classification and measurement of financial assets;

- preparation of financial statements in accordance with IFRS for international and local investors;

- organization of regular publication of periodic reporting through mass media;

- development of a strategy aimed at increasing the Company's equity capital;

- establishment and control of maximum limits for accounts receivable and payable, as well as the volume of attracted borrowings;

- automation of financial reporting generation;

- development of relevant procedures for effective asset management;

- phased increase in return on assets;

- introduction of a methodology for determining the maximum volumes of support provided in relation to the Company's own funds within one year (on an ongoing basis);

- implementation of activities for providing compensation support within the information system of public financial management.

o) Improvement of Corporate Governance:

- improvement of the Company's activities based on the recommendations provided as a result of the World Bank's review of the activities of the State Fund for the Support of Entrepreneurial Activity;

- development of procedures for actions in the event of a conflict of interests, ensuring the operation of the Minority Shareholders' Committee, provisions on dividend policy, as well as the rules for the "Evaluation of the Activities of the Supervisory Board and its Committees, the Chairman and Members of the Board";

- development of the Company's "Corporate Governance Code";

- organization of the submission of reports of the Committees and the Supervisory Board following the results of each quarter;

development and practical implementation of new internal regulatory documents to improve the internal regulatory framework in the field of corporate governance.

p) Improvement of the analysis and monitoring of achievement of target project parameters:

development of criteria for assessing the effectiveness of projects for which support has been provided;

development of a separate module in the "Tadbirkor" information system for performance analysis based on integrated data;

determination of measures to ensure effectiveness;

development of a separate module in the "Tadbirkor" information system for monitoring and analysis;

ensuring that the volume of non-performing assets does not exceed established regulatory limits;

expansion of the practice of remote monitoring using various information databases.

q) Improving the effectiveness of internal audit:

timely submission by the internal audit service of reports on inspections carried out at the Company and in the regions to the Audit Committee;

introduction of a procedure for conducting follow-up inspections to eliminate shortcomings identified during audit inspections;

submission to the Audit Committee of work plans and performance indicators in order to ensure effective operations;

development of a procedure for conducting external audits in accordance with established requirements.

r) Improving the risk management system:

development of internal regulations for risk identification, establishment of their minimum and maximum limits, risk management, and risk mitigation;

development and implementation of an action plan for the establishment of a system for managing environmental, emergency (technogenic), and social risks;

organization of the submission of reports to the Committees and the Supervisory Board on a quarterly basis;

engagement of international consultants in order to implement an effective risk management system;

- improvement of digital and remote control in order to prevent risks;
- organization of risk management trainings or participation in training events in this field.

s) Implementation of a compliance control and internal security system:

- introduction of a "Compliance Control" system within the Company and development of internal regulatory documents;

- development and approval within the Company of an anti-corruption policy, a methodology for assessing corruption risks, and regulations on conflict of interest management, with submission thereof for consideration by the Anti-Corruption and Ethics Committee;

- regular informing of the general public about measures taken in the field of anti-corruption through the creation of a special page on the official website, an email address, a hotline, and Telegram bot channels;

- bringing the Company's anti-corruption management system into compliance with the requirements of the international standard ISO 37001:2016;

- development of an action strategy for identifying, assessing, monitoring sectoral risks and improving risk mitigation mechanisms based on international best practices.

t) Human resources policy:

- organization of training for Company employees in corporate processes, foreign languages, and other necessary areas;

- implementation of a system for evaluating the performance and level of knowledge of Company employees;

- staffing of vacant positions within the Company with qualified specialists;

- ensuring the achievement of target indicators for labor productivity and staff turnover;

- development of a human resources policy, as well as internal labor regulations and rules of labor discipline.

u) Marketing and Advertising Strategy:

- continuous communication of information on financial support to self-employed persons and small and medium-sized business entities;

- prompt dissemination of news in the field of support;

- organization of international cooperation events;

- attraction of funds from international financial institutions and investors;
- enhancement of the Company's public image;

expansion of information coverage on the official website and on social media;

production of video materials about the Company's activities in Uzbek, Russian, and English;

development of a brand book in order to ensure comprehensive information about the Company;

provision to self-employed persons and small and medium-sized business entities of services such as "Entrepreneur Consultations," "Advertising Services," and other types of support.

VI. Financial Indicators and Control Metrics

Support to Be Provided in 2024–2026

№	Indicator Name	Volume of Support Provided in 2024				Volume of Support Provided in 2025				Volume of Support Provided in 2026			
		Project	Support	Loan	Workplaces	Project	Support	Loan	Workplaces	Project	Support	Loan	Workplaces
	Total:	2 599	1 638	3 019	11 591	2 901	1 917	3 321	13 235	2 945	1 972	3 351	13 370
1	Guarantee	1 162	600	1 500	5 317	1 278	660	1 650	5 849	1 290	666	1 665	5 902
2	Credit (leasing) resources	785	300	435	2 500	864	330	479	2 750	871	333	483	2 775
3	Contribution to share capital	40	120	0	393	44	132	0	432	44	133	0	436
4	Service mortgage	56	468	0	1 176	62	515	0	1 294	62	519	0	1 305
5	Compensati on	556	150	1 084	2 205	612	165	1 192	2 426	617	167	1 203	2 448
6	Newly established service	—	—	—	—	42	115	0	485	60	154	0	504

Table 10. Volume of Assistance Provided (billion UZS).¹⁷

¹⁷ Source: Company data
Unofficial translation.

Financial Indicators

Revenues and Expenses	Plan for 2024	Plan for 2025	Plan for 2026
Total Revenues	224 989	312 324	361 188
Interest Income	204 683	292 600	341 200
income from placement of resources	19 121	72 000	132 000
income from service mortgage	33 355	60 600	49 200
income from placement of targeted funds on deposits	152 207	160 000	160 000
Non-interest Income	20 306	19 724	19 988
intermediary commission received on guarantees	11 630	13 000	14 000
intermediary commission on compensation	3 000	3 000	3 000
income from equity participation	2 400	1 300	1 020
income from intermediary commission on service mortgage	3 276	2 424	1 968
Total Expenses	133 888	196 694	209 217
interest expenses	21 600	79 200	86 400
non-interest expenses	41 856	42 103	42 103
salaries and other expenses	60 272	64 491	69 006
rent and operating expenses	4 000	4 400	4 840
travel and transportation expenses	1 420	1 562	1 718
administrative expenses	1 254	1 380	1 518
depreciation expenses	303	312	321
insurance, tax, and other expenses	3 183	3 247	3 312
Profit (net of corporate income tax and reserves)	91 101	115 630	151 971

Table 11. Company Revenues and Expenses for 2024–2026 (million UZS).¹⁸

¹⁸ Source: Company data
Unofficial translation.

Key Indicators

Nr.	Indicator	Unit of Measurement of Target Indicators	Target Indicator for 2024	Target Indicator for 2025	Target Indicator for 2026
1	Revenue from the provision of financial assistance	mln. UZS	72 782	152 324	201 188
2	Fulfillment of forecast revenue indicators	mln. UZS	224 989	312 324	361 188
3	Fulfillment of forecast profit indicators (before tax)	mln. UZS	91 101	115 630	151 971
4	Return on Equity (ROE)	ratio	0,14	0,14	0,14
5	Return on Assets (ROA)	ratio	0,05	>0,05	>0,05
6	Coverage (solvency) ratio	ratio	1,5	2	2
7	Financial independence ratio	ratio	1,5	2	2