

A smiling woman with dark hair tied back, wearing a blue button-down shirt and a denim apron, stands in a factory or industrial setting. The background is blurred, showing other workers and machinery. The Solva logo is in the top left corner.

**SOLVA**

## Annual review:

The Economic Impact of Solva Lending  
to Small and Medium Business in  
Kazakhstan

Results of the Women in Business and  
Green Finance programs for 2023

January 2024

# Introduction

Last year, for the first time, we conducted a research of our economic and social impact to the development of micro, small and medium-sized enterprises through a survey of our clients. We obtained important results for us, which allowed us not only to assess our impact on the SME sector, but also on the economic development of the country and the well-being of the population.

In 2023, we continued to improve and expand our product line for micro, small and medium-sized entrepreneurs, as well as improvement of the quality of our services.

In just 9 months of 2023, we issued microloans in the amount of approximately USD 60 million to about 21 thousand entrepreneurs throughout Kazakhstan. The share of lending to the SME sector in the total portfolio increased by about 14% compared to last year and amounted to about 60%.

We realize that our influence on entrepreneurs in the SME sector is growing every year, so we decided to update the results of the research and conduct a repeat survey among our clients.

The results obtained allowed us not only to see the positive dynamics and growth of our economic impact on the SME sector, but also to measure it in numbers.

Additionally, we asked our clients about their need for green financing products and their willingness to choose more environmentally friendly equipment and technologies.

We believe that environmental care and responsible approach to the consumption of natural resources are essential parts of sustainable business management and development, therefore we are ready to support entrepreneurs in Kazakhstan to make a choice in favor of green technologies, providing them with more favorable financing conditions.

We recognize the growing importance of SMEs in the economy of Kazakhstan, therefore our role in supporting micro, small and medium-sized entrepreneurs is constantly growing.

We want to thank our clients who took part in this survey and shared their successes and honest feedback with us.

*The results of the 2022 survey can be found [here](#).*



**Konstantin Barabanov**, Solva Group Ltd. CEO



**Anna Maximova**, General Director of MFO OnlineKazFinance JSC (Solva) and Ambassador of the Women in Business program at Solva



**Oksana Sineelnikova**, Head of ESG

*We are grateful to our clients for their trust and choice of Solva and we promise to continue to make every effort to justify this credit of trust and increase our positive contribution to the development of a healthy business environment in Kazakhstan!*

# Contents



1	Survey findings at a glance	4
2	About Solva	5
3	SME share in the economy and access to financing	6
4	Purpose and scope of the survey	7
5	Solva client profile	8
6	Solva's role in supporting SMEs	9
7	Women's entrepreneurship	13
8	Women in Business	14
9	Green Finance	15
10	Conclusions	16

# Survey findings at a glance

Each  
**KZT 1 million**  
of financing provided leads to



Average SME revenue growth of  
**KZT 6 million**  
within 12 months



which is  
**10% higher**  
than the 2022 survey results

**21 000 jobs**

have been created thanks to Solva funding over the past year

**1 out of 10**

clients reported that they would have been forced to close their businesses without Solva funding

**66%**

clients recorded an increase in revenue thanks to microloan

**48 000 jobs**

have been created thanks to Solva funding over the past three years

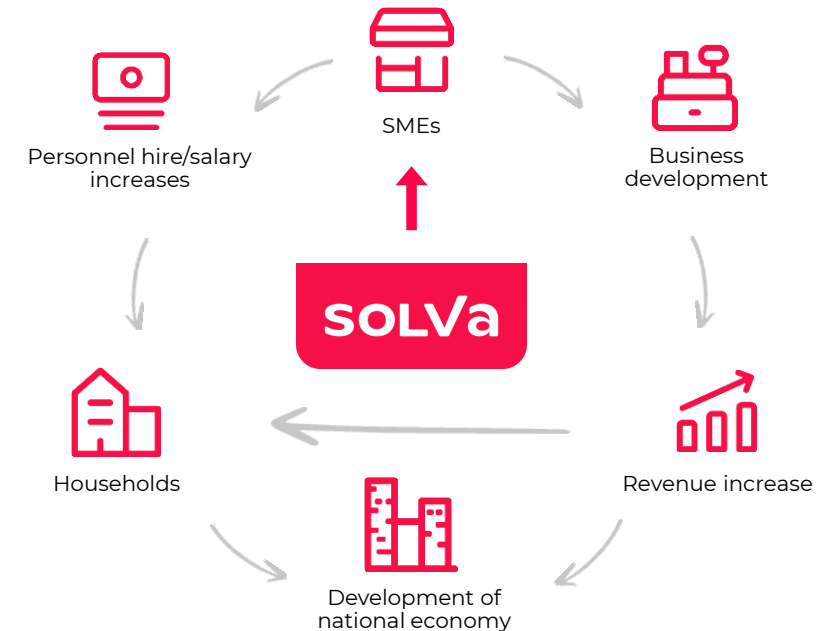
**96%**

are sure that Solva's microloan helped them to grow their business

**\$372 mln**

revenue growth that Solva's clients can expect from 2023 financing

## Solva's economic impact



Speed of obtaining funding is still a key factor in choosing a financial institution. Time during which clients used financing for business purposes:

**71%**

spent the funds within the first week after receiving the microloan

# About Solva

**Solva** is the market leader in unsecured non-bank financing in Kazakhstan. We offer digital financial products for micro, small and medium-sized businesses, as well as individuals.

Our main focus is expanding the share of micro, small and medium-sized businesses (SMEs) in the loan portfolio, as well as improving the product line for SME financing.

Our priority is to take care of our customers and provide them with high-quality, convenient, affordable and technologically advanced products and services.

Our mission is to develop a healthy entrepreneurial environment for micro, small and medium-sized businesses, as well as to improve living standards in the Republic of Kazakhstan.

**Our goal** is to create a user-friendly financial service which can be accessible for any Kazakhstan citizen engaged in entrepreneurial activities.

We aim to give our clients confidence and peace of mind when they choose our financial products to start and grow their business.

**146 mln \$**

SME financing  
originated since mid-  
2020

**73 000**

Solva's SME clients

**70%**

of SME clients are  
female entrepreneurs

**78%**

of clients are from  
rural and suburban  
areas

**127**

Solva offices

## Our advantages:

**FAST**

simple processing with a minimum  
of source documents

**CONVENIENT**

no need to visit office – everything can be  
done in the app online

**UNSECURED**

no need to pledge property or engage  
guarantors

**FOR ANY PURPOSE**

business development, working capital  
replenishment or cash gap

# SME share in the economy and access to financing

The small and medium-sized business sector in Kazakhstan continues to grow rapidly. It easily adapts to changing market conditions and is able to develop independently, which makes it one of the main factors in the sustainable development of the national economy of Kazakhstan.

The development of small and medium-sized businesses helps strengthen the country's economy: it creates a favorable environment for competition, creates new jobs and increases the level of well-being of the population.

According to open data\*, the share of SMEs in the country's GDP over the past year has increased from 33.3% to 36.5%, and the volume of production by SMEs increased by 28% and amounted to over KZT 59 trillion. The number of operating SMEs also increased - by 23.4% and amounted to about 2 million enterprises. Total employment in this sector increased by more than 18% to 4.1 million people. Thus, more than 40% of all people employed in the economy work in the SME sector.\*

In accordance with the Concept for the Development of Small and Medium business in the Republic of Kazakhstan until 2030 it is planned to increase the share of SMEs in GDP to 40% and the number of people employed in the sector to 5 million people.

The Government of Kazakhstan continues to implement a number of incentive measures to support and develop the SME sector. In 2023, more than KZT 266 billion of budget funds have been allocated for these purposes, which is almost KZT 96 billion more than last year. In addition, in 2023, a single payment from the wage fund for micro and small businesses was introduced. The general rate was reduced from 34.5% to 20%, which allowed entrepreneurs to reduce the tax burden.

However, despite the active growth of the sector and government support measures, we continue to see a number of barriers for owners of micro, small and medium-sized businesses in obtaining financing.

The main reasons for the low availability of borrowed funds continue to be the excessive bureaucracy of the procedure and requirements for the provision of collateral. It is also important for entrepreneurs to have quick access to money, since funds are often used to solve everyday business problems.

For the second year, we have been conducting a survey to assess our economic impact on the development of the SME sector. In this report, we are pleased to share its results with you.

With the first Solva report "The Economic Impact of Solva Lending to Small and Medium Business in Kazakhstan" you can find at the [link](#).

\* [The Prime Minister of the Republic of Kazakhstan official data](#)

**37%**

SME share in  
Kazakhstan's GDP

**4.1 mln**

people employed  
in SMEs

**2 mln**

existing SMEs

# Purpose and scope of the survey

In October 2023, we conducted a follow-up survey among our clients to determine the economic impact of Solva lending to micro, small and medium-sized businesses in Kazakhstan and study the dynamics of our impact compared to a similar survey conducted in 2022.

More than **1,200 clients** took part in the survey. We used the following assumptions when selecting clients to participate in the survey:

- ▶ the client received financing for business purposes
- ▶ the microloan was received between April 2022 and April 2023
- ▶ the client could be a first-time borrower from Solva or be our returning client
- ▶ the client did not participate in a similar study last year.

The clients were selected through randomised automated sampling based on the above parameters.

In our study, we draw our conclusions based purely on the survey results. It should be assumed that the results may have biases, as the sample of clients may not reflect the full picture.

**Anna Gayantseva**, Head of Research at Solva

However, since approximately **7%** of all SME clients meeting the stated assumptions were surveyed, and they had been randomly selected, we believe that the data are fairly representative.

The survey questions were focused on the following topics:

- ▶ business sector, current number of employees, and monthly revenue
- ▶ loan purpose (including what they were used for)
- ▶ hiring new employees after receiving borrowed funds and revenue growth
- ▶ reasons for choosing Solva
- ▶ consequences of the inability to borrow from Solva
- ▶ client interest and experience in lending with green finance products.

The analysis is based on the unique composition of Solva's client base.

The characteristics of Solva's clients are different from the customers of any other financial and credit companies. Therefore, caution should be exercised when extrapolating the results of the survey to all SME lending in Kazakhstan.

# Solva client profile

Breakdown of our SME clients by sector based on the survey data:

**58%** of clients operate in retail (clothing, textiles, household items, cosmetics, electronics, flowers, etc.)

**14%** operate in the services sector (beauty salons, tailors, repair services, medical services, etc.)

**8%** own grocery or pastry and confectionary stores

**5%** of customers are engaged in agriculture: livestock and crop production

**5%** are engaged in manufacturing and construction

**3%** are engaged in transportation (passenger and freight)

**2%** of clients operate a car related business (repair, spare parts, car washes, etc.)

**2%** are involved in the HoReCa sector

**2%** in rental services (housing, cars, etc.)

**1%** are engaged in education.

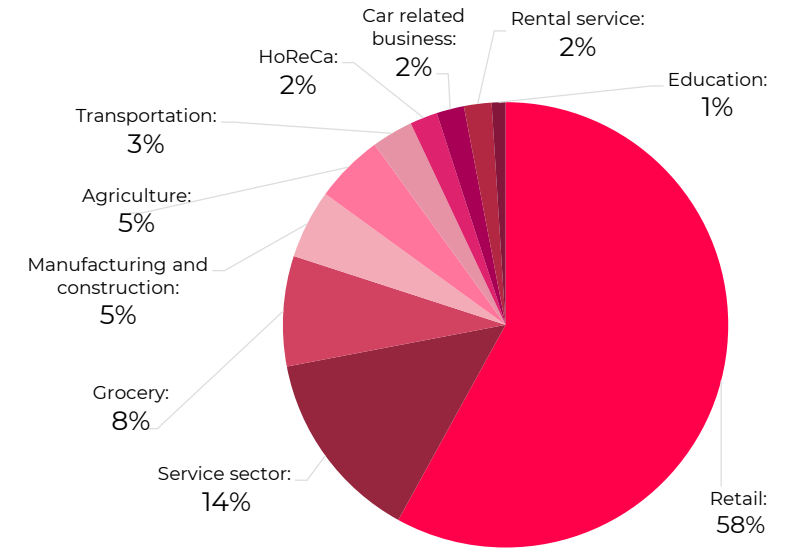
The data obtained are comparable to the results of last year's survey, which indicates a stable distribution of our SME clients by area of activity.

**89%** of survey participants have no more than

**5** employees

Most clients have monthly revenue of up to

**10** mln KZT

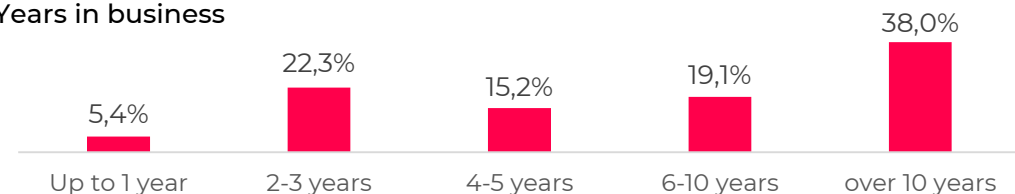


Breakdown of our SME clients by sector

**38%** of our clients have been doing business for over 10 years..

Last year, this figure was 46.1%, which confirms the conclusion that the number of new entrepreneurs in the economy who need financing to start and develop their business is growing.

Years in business





# Our role in supporting SMEs

Based on our 2022 research, we confirmed our belief that Solva's financing helps entrepreneurs solve a specific short-term operational problem or invest in business expansion and development. 96% of clients surveyed this year confirm that a microloan from Solva had a direct positive impact on their business (we received similar results last year).

We understand that positive change in a single small business creates “a ripple effect”: a positive economic impact on the company's employees, their families and households, as well as on contractors and suppliers and their businesses, respectively.



Based on the results of last year's survey, we were also convinced that the real economic effect of financing the SME sector is calculated by many more parameters than just the volume of the loan portfolio.

The results of this survey confirm our earlier conclusion: new jobs were created in the country's economy, our entrepreneurial clients were able to increase the income of their businesses, which means their share in the country's economy and personal well-being increased.

Below you can read the detailed results of the survey and our conclusions.



## Loan purpose and utilisation

Microloans provided by Solva are often used by clients to develop their businesses and support a number of business-critical activities. At large, the survey showed that clients spend the financing on current operational activities (71%) and on business development efforts (27%).

These results are comparable to the results of last year's survey, which indicates that entrepreneurs continue to need to obtain financing for everyday activities, in particular to increase the range of goods and services (62%).

22% of business owners used their last microloan from Solva to purchase or replace equipment, machinery or vehicles necessary for their work.

95% of clients surveyed confirmed that the original purpose for which they requested funding from Solva coincided with the costs for which the funds were allocated.

Also, more than 70% of clients spend the funds received in the first week. We received similar results last year.

This suggests that entrepreneurs need prompt funding to solve specific important and urgent problems of their business, ignoring which can become an obstacle not only to business development, but also to further activities in general.

Current operational activities



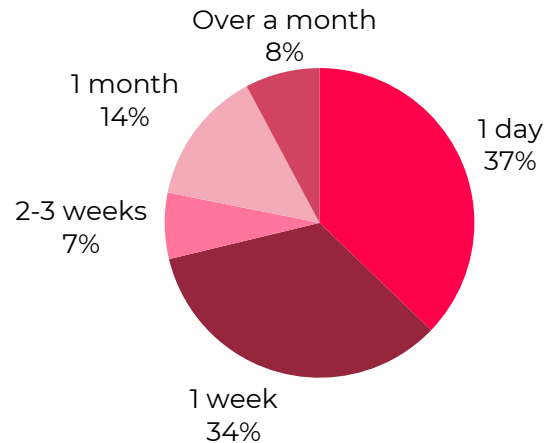
Business development (purchase of equipment, premises expansion etc.)



Other



Solva customers' use of recent microloans



Timespan when the microloan was used

## Helping SMEs to survive in times of crisis

More than 96% of surveyed clients are confident that the borrowed funds received from Solva helped them solve their problems and give new impulse to their business.

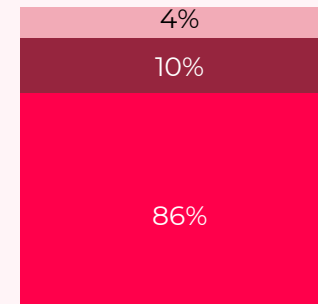
96%

said that Solva's microloan helped them to grow their business

For the second year, some of our clients have shared with us their concerns about the criticality of obtaining financing to continue their business. Almost 10% of our clients believe that without borrowed funds from Solva they would not be able to continue their business and would be forced to close it.

1 in 10

of our customers responded that they would have been forced to close their business without a microloan from Solva



Do you think you would have been able to continue operations without the recent microloan from Solva?

Not sure No Yes

This indicator is especially important for us, as it clearly demonstrates the continuing urgent need for the SME sector for quick access to financial resources and the role of our company in providing it.

Solva is constantly improving and expanding its product line and convenience of services in order to provide every entrepreneur with a fast, convenient and suitable way to attract the funds necessary for their business.

# Customer business turnover growth

Entrepreneurs use borrowed funds to resolve operational issues and invest in business development, for example, to expand the range of goods and services, purchase or repair equipment, expand retail or production space, and other tasks.

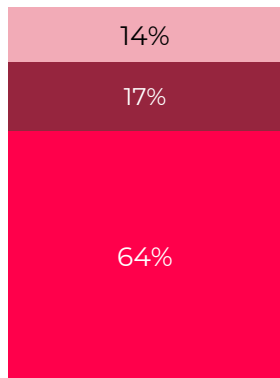
All this leads to the emergence of new opportunities and subsequently to increased business income.

**64%** of surveyed clients shared that thanks to a microloan received from Solva, their monthly turnover (revenue) increased.

It is very valuable for us that for the second year, the majority of our clients note that it was the microloan from Solva that helped them increase the financial well-being of their business and, as a result, the level of their personal well-being.

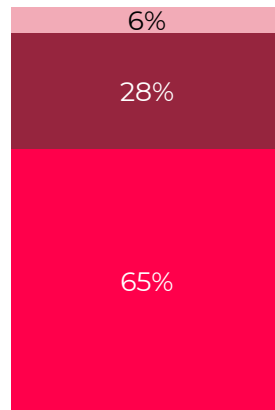
We also asked clients whose monthly revenue increased to indicate the percentage or amount of growth, and also compared them with the results of the previous survey: the number of entrepreneurs with revenue growth above KZT 1 mln increased from 13% to 40%, up to KZT 100 thousand decreased from 20% to 6%, other indicators remained comparable.

**64%**  
reported increase in their monthly revenue, thanks to a Solva microloan



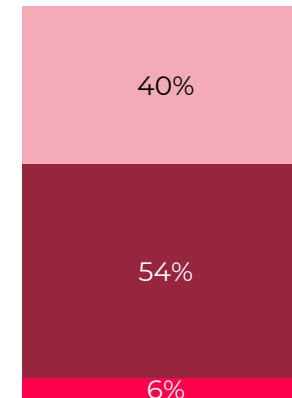
Has your monthly revenue gone up after receiving a microloan from Solva?

- Not sure
- No
- Yes



The magnitude of turnover growth: percentage breakdown of clients who had monthly revenue growth after receiving a microloan from Solva

- Over 50%
- From 30% to 50%
- Up to 30%



Monthly revenue growth after receiving a microloan from Solva (in monetary terms)

- Over KZT 1 000 000
- From KZT 100 000 to 1 000 000
- Up to KZT 100 000

## New jobs in SMEs

The business of our SME clients employs on average 2 people. Borrowed funds are often used to hire additional employees or to avoid cash gaps in paying current employees.

About 30% of the clients we surveyed were able to hire additional employees after receiving a microloan from Solva, thereby creating new jobs.

Among clients who were able to hire new employees, almost 80% hired between 1 and 3 people.

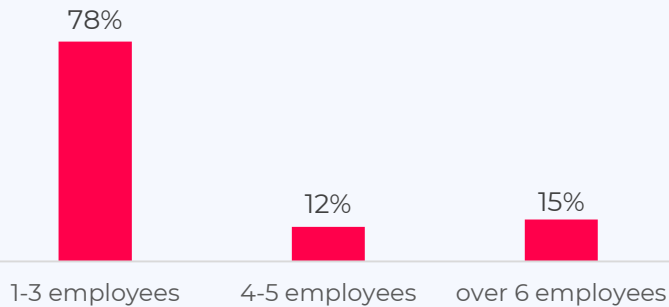
Thus, if we extrapolate this data to all Solva clients this year, then thanks to the borrowed funds received, **21 000 additional jobs** were created. Also, based on the results of the 2022 study, we found that since mid-2020, approximately 26 000 new jobs have been created thanks to Solva financing. Thus, **about 48 000 new jobs** have been created over the past 3 years thanks to SME financing from Solva.

**3.4**

employees on average were hired thanks to a microloan obtained from Solva

**21 000**

new jobs created over the past year thanks to a microloan received from Solva



Percentage of new employees hired after receiving a microloan from Solva

## Customer experience when receiving a microloan in Solva

**More than 28%** of surveyed clients noted that they chose Solva due to the speed of making a credit decision and receiving money, **more than 23%** - because of the convenience of filling out an application and repaying a loan online.

Clients also note the high level of application approval and the absence of the need to provide collateral as advantages of Solva.

**1 in 4**

customers have received positive recommendations about Solva from family, friends or acquaintances

**More than 84%** of clients said that they would definitely or most likely apply to Solva for a microloan again, which is **4% higher** than last year.

The growth of the indicator tells us about increasing trust among our clients and improving our experience of interacting with them.

Also for us, this indicator is an important indicator of customer satisfaction with the products offered.

**84%**

clients would re-apply for a microloan from Solva

# Women's entrepreneurship

We take gender equality issues seriously and actively develop initiatives to provide women with equal opportunities in financing their business projects, and also strive to help them throughout the way of building their dream business.

**We provide robust support** both to first-time female entrepreneurs and to those women who have been in business for a long time.

**More than 70%** of our clients from the SME sector are women entrepreneurs.

In the summer of 2023, Solva carried out **the first corporate issue of ESG gender bonds** in the history of the Republic of Kazakhstan in the amount of KZT 20 bln.

The funds raised will be used to finance women entrepreneurs. Approximately 14 000 of our clients will be able to receive the necessary financing to develop their business.

We believe that the issue of gender bonds will allow us to expand the level of support for women entrepreneurs, and will also make a tangible contribution to the promotion of gender equality and inclusion in the financial services sector of Kazakhstan.

90% of buyers of gender bonds issued by Solva are retail investors.

Thus, we also provide the opportunity for the population of Kazakhstan to make their own contribution to the development of women's entrepreneurship.

For the transaction to issue corporate indexed ESG bonds, our company was awarded a prestigious award on the debt securities market Cbonds Awards and received an award in the **category "Best Primary Deal of ESG Bond in Kazakhstan."**

We were also awarded **"High Yield Debt Deal of the Year"** at the prestigious Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye Awards, which recognizes the most innovative and disruptive deals from issuers and borrowers of government, corporate and financial institutions.

**70%**

clients from the SME sector - women entrepreneurs

**14.1 ths**

new jobs created by women entrepreneurs over the past year, thanks to a microloan received from Solva

**20 bln**

KZT amounted to the issue of ESG-gender bonds by Solva

**more 14 ths**

women entrepreneurs will be able to obtain financing for their business projects through the issuance of gender bonds



Solva was awarded the Cbonds Awards 2023 in the category "Best Primary Deal of ESG Bond in Kazakhstan."



Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye Awards in the category "High Yield Debt Deal of the Year"

# «Women in Business»

In 2022, we launched the “**Women in Business**” initiative, the goal of which is to create a favorable environment for the development of women’s entrepreneurship and increasing the level of financial literacy in Kazakhstan. Within Women in Business initiative, women entrepreneurs can gain additional knowledge in the field of business development and financial literacy, undergo various mentoring and educational programs, exchange experiences and success stories, and also become part of a community of like-minded women.

**In the fall of 2023, our Women in Business platform received the 2023 PLUS Award for Best ESG Initiative in the financial sector.** This award serves as a testament to our commitment to empowering women and promoting sustainable economic growth.

As part of the "Women in Business" initiative, we regularly conduct free training **sessions on financial literacy "Woman and Money"** in partnership with the "School of Financial Literacy No. 1" and the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market (ARDFM).

In 2022, we held 5 seminars in different cities of Kazakhstan: Turkestan, Karaganda, Astana, Shymket and Shelek village. And already in 2023, **7 training sessions** were held in Kyzylorda, Ust-Kamenogorsk, Petropavlovsk, Atyrau, Aktau, Pavlodar and Taldykorgan.



As part of these trainings, we sought to give participants a lot of practical knowledge about the features of doing business, planning and budgeting, useful financial tools for business development, as well as the opportunity to make useful contacts and exchange experiences.

Each training on average included **more than 80 participants** from cities and nearby villages. In total, **more than 900 women entrepreneurs** took part in our training.



Solva received the 2023 PLUS Award in the “Best ESG Initiative in the financial sector” category

**more than  
900**

women entrepreneurs took part in offline seminars “Woman and Money”

[The Women in Business website](#)

# Green finance

Solva is constantly expanding its product line for SME clients in order to best meet the financing needs of businesses. We are also committed to making efforts to minimize both our own negative impact on the environment and the impact of our clients.

We support entrepreneurs who care about the environment by choosing green technologies, environmentally friendly and energy-efficient equipment.

We see a growing interest in environmental responsibility among the SME sector, so in August 2023 Solva launched a pilot product for entrepreneurs in the SME segment – [“Green Finance for Business”](#).

Financing can be received by businesses whose activities are aimed at reducing the negative impact on the environment, including funds used for the purchase of energy-efficient technologies and equipment. Clients, in turn, receive cashback, which can be used to pay off the monthly payment.

To assess our SME clients' need for green finance products, we added a number of questions to our annual survey and obtained the following results:

**1 in 10**

clients previously took out a microloan from Solva to carry out work to reduce water consumption

**1 in 10**

clients previously took out a microloan to purchase energy-efficient equipment

**1 in 5**

clients would make a choice in favor of energy-efficient equipment with more favorable lending conditions for it

Thus, at least 4 000 Solva clients in 2023 would be ready to give preference to environmentally friendly technologies when providing them with more favorable financial conditions for microcredit.

The data obtained show the relevance of launching a green finance pilot product and the need for further improvement and expansion of the product line in the field of green finance.

# Conclusions

The results of the survey confirm the conclusion made last year that Solva is an important economic agent, stimulating micro, small and medium-sized enterprises to contribute to the economy of Kazakhstan and the growth of the population's well-being.

Despite the stable growth in the share of SMEs in the country's GDP and an increase in government support measures, we continue to observe significant difficulties in financing this sector from traditional financial institutions.

Entrepreneurs often need quick access to financial resources to solve immediate operational problems. To help clients solve their problems, Solva provides a wide range of financial products specifically tailored to the needs of SMEs and a convenient digital service to save clients time and shorten their “application-to-cash” journey.

Solva has been actively working with the SME sector since mid-2020, and over the past 3 years **has increased the share of SMEs in the total loan portfolio from 15 to 60%**, with the goal of promoting the development of a healthy business environment for micro, small and medium-sized businesses in Kazakhstan.

During this time, we have already provided microloans to **approximately 73 000 entrepreneurs** throughout Kazakhstan, including in remote regions of the country and rural areas.

Most of the microloans were issued to businesses with a monthly turnover of less than 10 million KZT and an average staff of 2 employees.

It is precisely such enterprises that are the driving force of the economy of Kazakhstan. Solva clients spend the funds received to solve current business problems, and also make investments in the development of their business.





# Conclusions

The results of the survey confirm that, thanks to the borrowed funds, entrepreneurs can hire additional workers. Thanks to Solva's funding, **approximately 21 000 additional jobs** have been created in the Kazakh economy over the past year, and **approximately 48 000 jobs** over the past 3 years.

96% of surveyed clients were able to scale their business thanks to financing received from Solva, and 64% confirmed revenue growth thanks to the microloan received.

Thus, **every KZT 1 mln** of financing provided will lead to an increase in SME revenue by an average of **KZT 6 mln within 1 year**, which is 10% higher than the result obtained last year. In total, our clients can expect an increase in revenue based on the results of financing for 2023 of **\$372 mln**.

We understand that the new jobs created and the income growth of our clients have a “ripple” effect and lead to an increase not only in the personal well-being of the entrepreneur, but also in the well-being of the families of his employees, suppliers and partners, as well as to economic growth in the country.

We are especially proud that the majority of our clients have a positive experience with our company. **84% of customers said they would use Solva again**, which is 4% more than last year.

We are also very pleased that every fifth of our clients expressed their readiness to give preference to energy-efficient and green equipment with more favorable lending conditions for it. This result confirms the relevance of launching and developing new green finance products.



We continue our journey to achieve our goals and believe that every year Solva's impact plays an increasingly important role in the development of entrepreneurship in Kazakhstan and the emergence of new opportunities to improve people's lives.