

# Invest with Impact

Bolstering inclusion through finance

## A double-land locked country

Located in Central Asia, Uzbekistan is one of the only two double-landlocked countries in the world. Home to almost 37 million people, the former USSR country is the largest electricity producer in Central Asia and one of the biggest cotton producers and exporters.

Uzbekistan's economy was formerly a Soviet-style command economy, and even after gaining independence, it had strict import controls and frequent border closures, which made the economy stagnate. Since 2016, the country began to implement bold reforms focused on a sustainable transformation to a market economy. The reform of state institutions, citizen engagement, and investments in human capital are all critical to ensuring more inclusive economic growth and improving citizens' lives. More agricultural output, higher construction activity, and increasing investor interest accelerated real GDP growth in Uzbekistan. In 2019, the GDP stood at USD 57.9 bln; today the GDP volume is at USD 146 bln.

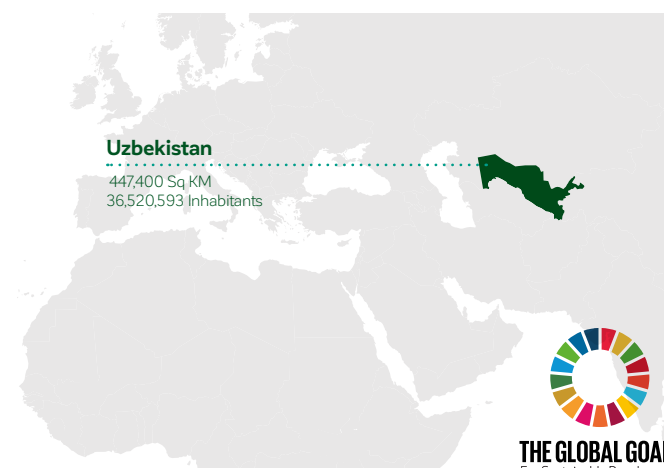
## An MSME Leader

Established in 1991, Hamkorbank is the largest privately-owned bank in Uzbekistan and known for its strong entrepreneurial spirit and innovative approaches. With over 3200 employees and branches in all major cities

and most regions in the country, Hamkorbank provides comprehensive financial services and products to complement its financing of MSMEs. This is much-needed, as the MSMEs account for over half of the GDP and over three-quarters of the employment. However, the number of MSMEs with access to bank loans in Uzbekistan remains quite low at approximately 22%. Although the promotion of MSMEs is significant for further developing the country's economy, improving their access to finance is an urgent issue. Part of the challenge is increasing the financial literacy. Meanwhile, Hamkorbank with its strong focus on MSMEs is seen as a market leader in this segment; they service around 50,000 legal entities, primarily MSMEs, and around 60,000 entrepreneurs, providing both financial services as well as support for developing better understanding of finance.

## The FMO Loans

Hamkorbank has been an FMO partner since 2012, with FMO becoming a 15% shareholder of the bank in 2014 and providing various loans since then. In 2024, FMO arranged a USD 100 mln syndication to finance microentrepreneurs and women- and youth-owned SMEs in Uzbekistan, contributing to SDG 10 (Reducing Inequalities).



## A broader perspective

Despite achieving strong economic progress, much needs to be done regarding the Uzbekistan's high energy and carbon intensity metrics. With many countries adopting stronger climate agendas, Uzbekistan's economy must ensure green economic policies to ensure sustainable, long-term growth that aligns with global policies.



Over the years, Hamkorbank has extended its focus to green investments to help stimulate the greening of its agricultural clients. They have formulated a strategy to focus on green and gender finance to contribute to Uzbekistan's sustainable development goals. They also embodied their "more than a bank" agenda, strengthening their internal ESG capabilities and onboarding additional E&S staff.

Part of these initiatives were required by FMO in its Environmental and Social Action Plan. As such, they have closely worked with FMO to achieve all requirements. This included adjusting their exclusion list to become fully compliant with the EU's DFIs list; they are now no longer financing coal projects. Hamkorbank has shown its commitment to stronger environmental and social governance by proactively addressing and closing all gaps. Their work demonstrates how they have been supporting the private sector in creating a greener and more inclusive future for everyone.



## The development of

### Impact

 Service centers	157
 Customers	3 mln

[Hamkorbank : ESG and sustainable development](#)

### Financial

Total syndicated loans	USD 100 mln
Total Fund parts	USD 3 mln

“Improving access to finance as well as financial awareness for entrepreneurs and others alike.”



### The Fund Manager

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### The Investment Advisor

FMO Investment Management BV ('FMO IM') is a MiFID licensed Dutch investment firm and 100% subsidiary of the Dutch development bank FMO NV. FMO IM advises on the loan portfolio at the request of the Fund Manager. All loans offered to the fund have successfully completed the investment process of FMO and have thus been added to FMO's own loan portfolio.

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