



Mortgage Refinancing
Company of Uzbekistan

Mortgage Refinancing Company of Uzbekistan JSC

Post-Issuance Report on Green Bonds

Reporting period: from 18 September 2024 to 1 October 2025

Tashkent
2025

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1. INTRODUCTION

The following Post-Issuance Report covers our debut Green Bonds registered on September 11, 2024, and placed on September 18, 2024, in the amount of UZS 50 billion, on the Republican Stock Exchange “Toshkent”, within our Sustainability Financing Framework.

Our Company, the joint-stock company “Mortgage Refinancing Company of Uzbekistan” (hereinafter referred to as the UzMRC, or Company), was established in 2019 by the Ministry of Finance of Uzbekistan to provide long-term financing to banks for their mortgage lending, with primary goals of increasing the availability of affordable housing through refinancing of qualifying mortgage loans and issuance of corporate bonds to develop the capital market.

We acknowledge the increasing focus on climate and environment within the country’s agenda. Given that buildings represent a significant source of energy consumption, there is a pressing need for concerted efforts to enhance efficiency. This led to us considering sustainable products to spur energy efficiency and positive social impact within the mortgage markets, to avoid and minimize the negative impact of its operations on the environment. In carrying forward our green objectives, we will prioritise financing and/or refinancing green renovation loans and green mortgages (Eligible Projects) originated by commercial banks, which involves creating a mechanism for the banks’ borrowers to undertake renovations using energy efficient building materials or for developers to build green buildings and thus contribute to the energy efficiency of residential buildings.

With this in mind, we adopted a Sustainability Financing Framework (hereinafter referred to as Framework, or SFF) in 2024 to integrate the Company’s environmental and social impact across portfolio and processes and to attract investors who are supportive of our value creation objectives by issuing, from time-to-time, green bonds, social bonds, sustainability bonds or other forms of sustainable debt instruments, and earmarking the proceeds towards financing or re-financing Eligible Projects having environmental and/or social benefits.

We align our reporting on our green bonds with our SFF, as well as with the Green Bond Principles of International Capital Market Association (ICMA). We apply a portfolio-based approach, reporting on impact on an aggregated level.

2. GREEN BOND DESCRIPTION

On September 18, 2024, UzMRC placed green bonds (ISIN: UZA000003402) on the Republican Stock Exchange Toshkent in the amount of UZS (Uzbekistan Soums) 50 (fifty) billion with a maturity of 5 years and a coupon rate of 18%.

Within the scope of the issuance, we received a pre-issuance external review for our Sustainability Financing Framework and the debut green bonds in the format of a Second Party Opinion (SPO) from the AIFC Green Finance Centre (GFC). According to the mentioned SPO, the use of proceed categories under the SFF, as well as the potential loans under a green renovation mortgage program that were nominated by UzMRC for possible inclusion in the Eligible Projects

pool to be financed through the prospective green bond issuance, comply with the categories for green buildings and affordable housing of the Green Bond Principles of ICMA, provided that the Company ensures compliance with its own procedures and criteria established in the Sustainability Financing Framework.

A year later, we engaged GFC to undertake a limited assurance engagement in relation to UzMRC's debut green bonds issued, as well as to this corresponding Post-Issuance Report. The scope of this engagement includes confirming the ongoing (post-issuance) eligibility of the green bonds and of the underlying green assets financed from the green issuance, against the requirements of the SFF and the ICMA Green Bond Principles according to GFC's verification methodology.

Table 1. Green Bond issuance parameters

Category	Indicator
Type of bonds	Green Coupon Bonds
Currency	UZS (Uzbek Soums)
ISIN	UZA000003402
Issue date	11.09.2024
Start date of Circulation	18.09.2024
Maturity date	18.09.2029
Denomination	UZS 1,000,000
Number of registered bonds	50 000
Listed volume	UZS 50,000,000,000
Placement volume (in UZS)	UZS 50,000,000,000
Placement volume (in USD)	approximately USD 4.1 million ¹
Type of Bond	Unsecured
Exchange	Republican Stock Exchange "Toshkent"
Coupon rate	18% per annum
Use of proceeds	Refinancing loan transactions related to UzMRC's GREEN RENOVATION (YASHIL TA'MIR) mortgage product

3. ALLOCATION REPORT ON THE GREEN BONDS

Out of the total amount of UZS 50,000,000,000 (fifty billion Uzbek Soums) in listed green bonds, all UZS 50,000,000,000 were placed (sold) in September 2024. The net bond proceeds were directed exclusively toward financing UzMRC's prospective green projects which will be duly selected by the Company in accordance with SFF.

Within the reporting period (from September 18, 2024 till October 1, 2025), UzMRC allocated and disbursed **UZS 20,980,500,000** (USD 1,738,557.94²) (accounting for **41.96%** of the total proceeds from the issuance), to nominated assets under the SFF, specifically, to refinance green renovation loans extended through participating financial institutions (commercial banks) underwritten by a web-platform titled "Green Renovation" (Yashil Ta'mir) that was deployed in

¹ Exchange rate as of 1 October 2025

² As of 1 October 2025, the exchange rate of the US dollar amounted to 12,084.10 UZS according to the Central Bank of Uzbekistan

2024. According to SFF, UzMRC aimed to disburse USD 7 mln equivalent green renovation loans using this online program in 2024-2026, with the total amount of loans disbursed via the tool at UZS 178,000,000,000 (c. USD 14,000,000).

Table 2. General allocation information as of 1 October 2025

Category	Indicator
Amount of proceeds from the Company's green bonds issued, UZS	<u>UZS 50,000,000,000</u>
Expenses related to the issuance of green bonds (including listing, brokerage, Republican Stock Exchange, and Central Depository fees)	UZS 66,860,000
Net proceeds from the Company's green bonds issued, UZS	UZS 49,933,140,000
Amount of net proceeds allocated to the financing of eligible projects during the reporting period, UZS	<u>UZS 20,980,500,000</u>
% of proceeds from the green bonds allocated by UZMRC and disbursed through participating banks for loan transactions related to Green Renovation mortgage product	<u>41.96%</u>
% of unallocated proceeds	<u>58.04%</u>
Number of clients who received financing	500

In accordance with Section 2.3 of the Sustainability Financing Framework, the unallocated proceeds amounting to **58.04%** were temporarily invested in accordance with UzMRC's investment policies or provided as a prefinancing to partner banks, and strictly subject to the Exclusion List defined in the SFF.

The nominated assets were recommended by UZMRC for inclusion in the list of nominated Eligible Projects for financing through green bonds in accordance with the Sustainability Financing Framework of UZMRC. All allocated loans were confirmed to comply with (i) the eligibility criteria for green renovation projects under Section 2.1, and (ii) the Exclusion List requirements of the Sustainability Financing Framework.

Therefore, the proceeds from the Company's green bonds were allocated to Eligible Projects in accordance with UzMRC's SFF, internal liquidity management policy and the Exclusion List set forth in the Use of Proceeds section of the SFF.

3.1. UZMRC GREEN RENOVATION (YASHIL TA'MIR) MORTGAGE PRODUCT

UzMRC, in partnership with participating banks, offers its "Green Renovation mortgage loan" program to enhance people's living conditions and comfort by helping to refinance energy efficient home renovations. Improving energy efficiency is supposed to lead to reducing energy costs and decrease of CO² emissions.

The green renovation mortgage loans have been extended using the web-platform to support energy-efficient improvements to apartments and houses in Uzbekistan by making them more sustainable. The general lending terms established are as follows:

- Using specifically for residential property renovation
- Loan amount up to UZS 170 million
- Tenor up to 10 years

- At a preferential interest rate.

This project is supported by the Asian Development Bank (hereinafter referred to as ADB) as part of the ADB's second round loan to UzMRC with the objective to scale green finance in the Uzbekistan market.

The Green Renovation (Yashil Ta'mir) web tool provides a system to check the eligibility for energy efficiency measures such as solar water heater installation, insulation of walls, window or door replacements, based on a robust methodology by asking questions requesting information that the user readily knows and providing multiple answering options for many questions. The questions can be responded online by individual end-borrowers themselves or during the loan application process with the responsible front desk officer at the participating financial institutions (commercial banks).

The eligible green renovation measures include:

- Insulation
- Heating & Cooling systems
- Roofing: solar PV panels & water heaters
- Doors, windows replacement
- Other energy saving measures.

The use of loan proceeds under the Green Renovation product (according to the Decision of the Supervisory Board of the Company No. 5 dated 14 March 2025) may be outlined as follows: the green renovation component that meets the green eligibility criteria - i.e., the energy-saving component - must constitute at least 50% of the total financed project cost, including the cost of energy-efficient materials/equipment, installation labor charges, and auxiliary expenses³.

This allocation was introduced in consideration of the high demand for traditional renovation in the mortgage market, since adjusting the project to include both green and traditional renovations makes the product more attractive while gradually increasing public awareness of energy-efficient renovation. This amendment was preliminarily agreed with international institutions. The respective instruction letter was sent by UzMRC to the banks participating in the Green Renovation program, stating that 50% of the allocated funds must be directed to loans for energy-efficient renovation, while the remaining portion may be used for other renovation loan. Accordingly, the participating banks re-approved passports on the Green Renovation product, stating that, for a project to qualify as "green renovation mortgage", at least 50% of the total project cost must be based on a compliance certificate approved on the website through the Green Renovation web-tool <http://green.uzmrc.uz/>. For this reason, the **allocations attributed by UzMRC to green bonds** have been adjusted to include only the eligible green component of

³ The pre-issuance external review provider, GFC, ascertained with Issuer that auxiliary costs refer to costs necessitated by the green renovation installation works, such as plastering and finishing around the green renovation area.

the disbursements (i.e. 50% of allocations under the Green Renovation product) (see Table 4 below).

The eligibility verification methodology applied through the Green Renovation web-platform is identical to the technical due-diligence and eligibility criteria defined in Section 2.2 of the Sustainability Financing Framework.

The following table contains thresholds for the first set of eligible green renovation measures defined.

Table 3. Thresholds for Green Renovation measures in Uzbekistan

Measure	Threshold	Comments
Roof and Wall insulation	U-Value $\leq 0.5 \text{ W/m}^2/\text{K}$	It is recommended to use at least 7 cm of insulation, since the cost difference between 5 cm and 7 cm is small.
Window replacement	Only double and triple glazed windows	The difference of U-Values of double and triple glazed windows in Uzbekistan is low, because of air as the filling gas. It is recommended to support other gas filled windows in the future.
Door replacement	U-Value $< 2.5 \text{ W/m}^2/\text{K}$ or qualitative indicator meeting the requirement. E.g. "insulated door" or something similar.	Insulation is currently eligible, recommendation would be to change this to replacement.
Boiler replacement	10% reduction GHG/CO2 emissions.	Efficiency gains are potentials high by replacing old heat pumps. Further fuel switch to renewable energy sources should be encouraged.
Heat pumps	At least 20% GHG/CO2 emission reduction, or high energy efficiency class label (class). The refrigerant should have a global warming potential ≤ 675 (IPCC AR4 GWP100)	Best in class technology is recommended.
Air Conditioner	Only replacements are eligible. SEER should be greater than 6. The refrigerant should have a global warming potential ≤ 675 (IPCC AR4 GWP100)	Best in class technology is recommended.
PV	No threshold – PV is always eligible	
Solar Thermal	No threshold – Solar thermal is always eligible	

In terms of verification of the intended use of loan proceeds, partner banks conduct on-site inspections with proper recordings of performed "green renovation" (energy efficiency) measures on each disbursed loan, with UZMRC doing remote spot checks later post-lending.

As mentioned above **41.96 % of proceeds** (or 42.01% of net proceeds) from the Company's green bonds were allocated for green renovation mortgage loan transactions set out in greater detail in Table 4.

In accordance with Section 2.3 of the Sustainability Financing Framework and ICMA Green Bond Principles, management of proceeds follows a portfolio-based approach. In terms of the

management of green bond proceeds, in line with SFF, the Company documents and tracks the allocation of the proceeds by maintaining analytical records and sub-accounts to disburse to Eligible Projects. Specifically, UzRMC maintains an internal register for the allocation of proceeds, which includes information for each allocation such as:

- Name of participating bank and amount of green bonds proceeds reserved for said participating bank for allocation under the Green Renovation program;
- Amounts of loans financed with a break-down by participating bank, use-of-proceeds category (window or door replacement, wall or floor insulation, boiler replacement etc.), region and district.

Periodically, as more disaggregated data (i.e. individual assessment reports for Green Renovation mortgage loans and other data) from participating banks become available to the Company, we update our internal registers detailing the allocation down to:

- Name of the end-borrower;
- End use of the funds;
- Date of disbursement, and any other information related to the allocation.

As mentioned above, the Green Renovation (Yashil Ta'mir) mortgage loan program is implemented by UzMRC jointly with ADB as part of ADB's financing extended to the Government of Uzbekistan for the purposes of developing UzMRC's green renovation mortgages. Thus, it's important to note that the Green Renovation mortgage loan program is, therefore, funded from two major sources:

- ADB resources;
- Proceeds from UzMRC green bonds.

To provide for the appropriate tracking of ADB resources and the Company's green bond proceeds allocated to assets under the Green Renovation online program, UzMRC's internal registers transparently demarcate these flows across the participating banks by indicating specific amounts allotted under 1) ADB resources, and 2) UzMRC's green bond proceeds, for each partner bank.

Within the reporting period UzMRC allotted UZS 247,550,000,000 in total under the Green Renovation program to participating banks, of which about 20% were set to be sourced from the Company's green bond proceeds, and the rest from ADB funding. The amount of green bonds' proceeds raised (UZS 50,000,000,000) were allotted and distributed among 4 participating banks for further allocation under the Green Renovation mortgage loan program. See below the allocation of the net green bond proceeds in the reporting period.

Table 4. Allocation of the net Green Bond proceeds as of 1 October 2025

Participating bank	Parameters of UzMRC's funding source	Amount of funding allotted (limits) by source, UZS million	Mortgage loans provided by banks under the Green Renovation product as of 1 October 2025, UZS million	Comment	Allocations attributed by UzMRC to green bonds, UZS million ⁴
Agrobank	Green Bonds	10,800.0	34,753.6	As of October 1, 2025, Agrobank issued loans under the Green Renovation product in the amount of over UZS 34.7 billion to 230 individuals (of this amount, 50% was allocated to 'green' products meeting eligibility criteria ⁵)	5,400.0
	<u>ADB resources</u>	19,200.0			
	<u>ADB resources</u>	19,200.0			
Hamkorbank	Green Bonds	18,000.0	22,960.0	As of October 1, 2025, Hamkorbank issued loans under the Green Renovation product in the amount of over UZS 22.9 billion to 178 individuals (of this amount, 50% of the total was allocated to 'green' products)	9,000.0
	<u>ADB resources</u>	32,000.0			
	<u>ADB resources</u>	32,000.0			
Xalq banki	Green Bonds	10,800.0	2,761.2	As of October 1, 2025, Halq Bank issued loans under the Green Renovation product in the amount of over UZS 2.7 billion to 21 individuals (of this amount, 50% of the total was allocated to 'green' products)	1,380.5
	<u>ADB resources</u>	18,732.5			
	<u>ADB resources</u>	18,732.5			
Oriet Finance	Green Bonds	10,400.0	10,540.0	As of October 1, 2025, Oriet Finance issued loans under the Green Renovation product in the amount of over UZS 10.5 billion to 70 individuals (of this amount, 50% of the total was allocated to 'green' products)	5,200.0
	<u>ADB resources</u>	19,342.5			
	<u>ADB resources</u>	19,342.5			
Turonbank	<u>ADB resources</u>	19,000.0	140.0	As of October 1, 2025, Turonbank issued 1 loan under the Green Renovation product in the amount of UZS 140 million	0
TOTAL funding for Green Renovation product		247,550.0			
		Of these, the total allotments to banks, proceeds related to UzMRC's green bonds are 50,000.0	TOTAL actual disbursement of funds under the Green Renovation product 71,154.8		TOTAL disbursed funds attributed by UzMRC to green bonds 20,980.5

⁴ The attribution of actual loan disbursements to allocations from UzMRC's Green Bond proceeds is carried out by UzMRC within the limits of funding allotted to individual participating banks marked as "Green Bond sourced" in a prioritised order

⁵ According to an instruction letter sent by UzMRC to the banks participating in the Green Renovation program, 50% of the allocated funds must be directed to loans for green renovation expenditures, while the remaining portion may be used for other renovation purposes.

As per the Company’s SFF, complete allocation of green bond proceeds to Eligible Projects will be made within a maximum period of 2 years of bond issuance. In line with the ICMA Handbook Guidance recommendations, we strive to make the bond proceeds allocations as soon as possible and make appropriate disclosures.

3.2. ALLOCATIONS UNDER THE GREEN RENOVATION PROGRAM BY PROJECT CATEGORY

As mentioned above, as more disaggregated data from participating banks become available to UzRMC, internal registers are updated to detail the green bond proceeds allocation down to the end use of the funds (by project category). According to the most recent detailed information on the allocation of funds disaggregated by Project Category available to UzMRC as of 30 June 2025, the proceeds of the green bonds were allocated to finance household-level energy-efficiency improvements. A total of 664 energy-efficient goods were purchased, supported by **UZS 19,421** million in disbursed loans (see Table 5 below).

The largest categories by volume of financed goods were:

- Replacement of windows (140 units; UZS 4,378 million)
- Replacement of doors (136 units; UZS 4,250 million)
- Air-conditioning systems (118 units; UZS 2,342 million)

These three categories together represent the majority of both units purchased and loan volume, indicating strong demand for building-envelope improvements and efficient cooling systems.

Table 5. Allocation of the net green bond proceeds as of 30 June 2025, by project category

Project category	Number of energy-efficient goods purchased	Volume of loans disbursed (UZS million)
Replacement of windows	140	4,378
Replacement of doors	136	4,250
Replacement of boiler	76	2,037
Wall insulation	64	2,130
Roof insulation	50	1,739
Heat pump	34	569
Air-conditioning system	118	2,342
Solar panels	35	1,870
Solar water heater	11	106
	664	19,421

It should be noted, that as of 30 June 2025, the UZS 19,421 million worth of loans were disbursed through the 4 participating banks under the Green Renovation mortgage loan program, and, since these amounts were well below the amounts allotted to individual banks as “sourced from green bond proceeds”, the whole amount disbursed at that moment (i.e. UZS 19,421 million) was attributed in full to allocations from the Company’s net green bond proceeds (which accounted for about 39% of UzMRC’s green bond proceeds).

Overall, the allocation demonstrates a diversified portfolio of energy-efficiency upgrades, with a strong focus on insulation, efficient heating/cooling, and building modernization - all consistent with the green bond’s environmental objectives.

4. IMPACT REPORT ON UZMRC GREEN BONDS

The Green Renovation online tool, aside from checking the eligibility of the loan, estimates the impacts in regard to kWh of energy savings, kWh of produced energy and GHG emission reductions. In terms of reporting, each eligibility check is assigned a unique identification number, with the output report printed on a pdf summary. Identification numbers are stored with the green measures associated with them. The measures and impact information for all financed loans can be extracted from the backend of the tool to make the reporting easier for UzMRC.

Impact calculations rely on model-based estimates and parameters used in the Green Renovation eligibility web-tool. As outlined in the SFF disclaimer, these metrics may involve estimation uncertainty due to data availability and acceptable methodological variations.

According to the most recent detailed information on the impacts of projects funded under the Green Renovation mortgage loan program available to UzMRC (as of 30 June 2025), the projects financed were assessed to result in:

6 925 857 kWh/year in total Annual energy savings

18 372 667 tons of CO₂/year in Avoided CO₂ emissions.

The distribution of impacts demonstrates a strong emphasis on improving building thermal performance and replacing inefficient heating systems, which collectively deliver the majority of environmental benefits.

Key impact drivers

1. **Building insulation measures** (wall and roof insulation) produced the largest CO₂ reduction:

- **Wall insulation:** 8,930,830 tons CO₂/year

- **Roof insulation:** 2,225,099 tons CO₂/year

These two categories alone account for ~60% of total avoided emissions, highlighting insulation as the most effective measure for low-carbon impact in the portfolio.

2. **Replacement of windows and doors** generated substantial benefits:

- Combined energy savings: 1,624,926 kWh/year

- Combined avoided emissions: ~5,818,615 tons CO₂/year

This underscores the importance of envelope upgrades for energy efficiency gains in residential buildings.

92% of the loans were issued in the regions, while approximately 8% were extended in the capital city of Tashkent (see Table 6.A and 6.B).

As mentioned in the section above on allocations by Project Category, the whole amount disbursed as of June 30, 2025 (i.e. UZS 19 421 million) was attributed in full to allocations from the net Green Bond proceeds. In the same vein, these project impacts were also fully attributed to UzMRC's Green Bond proceeds. However, as more disaggregated data from participating banks become available to UzRMC, internal registers shall be updated to detail the project impacts of the Green Renovation program as of 1 October 2025, with the respective recognition of impact assessments attributed both to Green Bonds and to other funding sources accordingly.

Table 6.A. Impacts of the projects as of 30 June 2025 by project category

Project category	Annual energy savings (kWh/year)	Avoided CO ₂ emissions (tons of CO ₂ /year)
Replacement of windows	1,336,802	4,199,432
Replacement of doors	288,124	1,619,183
Replacement of boiler	1,647,114	403,410
Wall insulation	1,180,462	8,930,830
Roof insulation	306,441	2,225,099
Heat pump	1,253,123	143,548
Air-conditioning system	180,808	670,750
Solar panels	392,458	150,692
Solar water heater	340,525	29,723
TOTAL	6,925,857	18,372,667

Table 6.B. Impacts of the projects as of 30 June 2025 by region

Region	Number of energy-efficient products purchased	Volume of loans disbursed (UZS million)	Annual energy savings (kWh/year)	Avoided CO ₂ emissions (tons of CO ₂ /year)
Republic of Karakalpakstan	42	1,251	608,632	1,556,392
Andijan	8	310	55,489	307,283
Bukhara	98	3,097	1,204,595	3,202,100
Jizzakh	23	538	264,594	305,085
Qashqadarya	29	930	77,485	236,967
Navoi	158	3,399	1,997,554	3,703,733
Namangan	23	884	224,428	1,142,657
Samarqand	25	755	204,500	338,056
Surkhondaryo	34	1,440	152,063	687,262
Sirdaryo	19	590	60,699	194,170
Tashkent Region	30	861	217,507	334,041
Fargona	36	1,366	675,551	895,584
Khorazm	93	2,494	970,671	4,377,400
Tashkent City	46	1,506	212,089	1,091,937
TOTAL	664	19,421	6,925,857	18,372,667

The environmental impacts reported herein contribute directly to Uzbekistan’s Nationally Determined Contributions and align with SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action), as specified in the Sustainability Financing Framework of UzMRC

