Allocation and impact report Green Bonds

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Agrobank



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Deputy Chairman
Mr. Bunyod Gulyamov

ESG Office team
Mr. Uchkun Namozov
Mr. Nail Samilgulin

Editorial design
Shakhzod Abdukhalilov

Table of contents

1. Purpose of the report 04
2. Agrobank overview 05
3. Strategic sectors 06
   - Renewable energy 06
   - Clean transportation 06
   - Climate change adaptation 06
4. Green finance framework 07
5. Issuance summary 08
6. Allocation report 08
   - I. Process of selection and evaluation 08
   - II. Allocation to eligible categories/projects 09
7. Impact report 10
   - I. Indicators 10
     - Primary indicators 10
     - Auxiliary indicators 10
   - II. Summary of actual impact 11
8. Success cases 12

Annexes

- Annex 1. Methodology 14
- Annex 2. Sub-loans and conditions 15
- Annex 3. Alignment of Eligible Projects with Green Taxonomy 16

1. Purpose of the report

01

According to the Green Bond Principles (GBP) of International Capital Market Association (ICMA), post-issuance reports are key to ensuring transparency, accountability, and trust in sustainable finance. These reports, which include allocation and impact components, show how proceeds from green bonds are used and what environmental benefits they deliver. For Agrobank, this process builds credibility by demonstrating alignment with green objectives and supporting the transition to a net-zero economy. Although voluntary, the GBP framework is widely adopted to ensure consistency and comparability across issuers.

02

The allocation report provides a clear audit trail of how funds are assigned to eligible projects, preventing greenwashing and strengthening investor confidence. It typically includes project lists, allocated amounts, and any unallocated proceeds, or, where necessary, aggregated data such as percentage breakdowns by category. The impact report goes further by measuring real-world results — for example, greenhouse gas reductions or energy savings — using qualitative indicators and, where possible, quantitative metrics with clear methodologies.

03

The GBP recommend issuing these reports annually until all proceeds are fully allocated, with updates for material changes. Agrobank will publish its reports on its website, using ICMA templates and external reviews for added assurance. This standardized approach strengthens market integrity, supports investor confidence, and highlights the tangible environmental contributions of green bonds.

2.Agrobank Overview

1988	2nd	>6.6mn	2nd	BB / Ba2
(38 years)	(9,783 mn USD)		(170)	(Positive) (Stable)
Bank was established	Largest bank in Uzbekistan by total assets	Issued card as of 2026	Largest branch network in Uzbekistan	Ratings from Fitch/Moody's

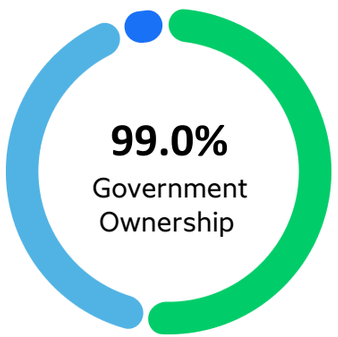
Mandate

- To act as a government agent providing affordable funding for food security and agribusinesses in Uzbekistan
- To play an instrumental role in implementing government policy for far regions

Mission

- To allocate loans in the areas of ensuring food safety
- To contribute to the growth and prosperity of customers
- To act as a financial bridge between urban and rural areas

Shareholder Structure[1]



- **40.94%** Ministry of Economy and Finance of the Republic of Uzbekistan (MoEF)
- **58.06 %** Uzbekistan Fund for Reconstruction and Development[2] (UFRD)
- **1.0 %** Other private investors

Source: Agrobank Financials

Summary of Key Financials

USD Millions	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	1H 2025	1H 2026
Balance Sheet							
Loans to Customers	2,959	3,994	4,659	5,126	7,319	6,383	8,374
Cash and Cash Equivalents	315	393	398	661	899	768	593
Total Assets	**3,649**	**4,717**	**5,404**	**6,210**	**8,635**	**7,621**	**9,783**
Customer Accounts	1,131	1,215	1,299	1,595	2,749	1,976	3,486
Due to Other Banks	92	237	471	321	365	747	458
Other Borrowed Funds	1,558	2,386	2,645	2,823	3,598	3,303	3,688
Debt Securities	10	24	13	483	772	505	793
Total Liabilities	**2,838**	**3,913**	**4,472**	**5,268**	**7,523**	**6,568**	**8,665**
Income Statement							
Net Profit	7	18	20	5	7	4	7
Net Interest Income	159	204	316	351	351	128	147
Fee and Commission Income	48	77	64	71	86	32	49

Notes: (1) As of 30th of June 2026. (2) UFRD is 100% owned by the Republic of Uzbekistan. (3) Average exchange rates used through the presentation for Uzbek Soum per U.S.$1.0 –for Period Average: 10,623.44 for 2021; 11,045.70 for 2022; 11,741.89 for 2023; 12,651.54 for 2024 and 12,574.55 for 2025, for End of Period 10,837.66 for 2021; 11,225.46 for 2022; 12,338.77 for 2023; 12,920.48 for 2024; 12,025.33 for 2025, 12,654.13 for 1H 2025 and 12,060.84 for 1H 2026.

3. Strategic sectors

Climate Change Adaptation

In recent years (2023-2025), Uzbekistan has implemented ambitious strategic measures, prioritizing water resource conservation through organizational reforms, technological adoption, and infrastructure upgrades. Agrobank, as a state-owned bank focused on agricultural financing, plays a pivotal role in supporting Uzbekistan's **water-saving agenda** by channeling funds to climate-smart agriculture and **water-efficient projects.** Through its Green Finance Framework and the 2024 issuance of green Eurobonds, the Bank allocates proceeds to initiatives like drip irrigation systems and **water management upgrades** that reduce agricultural water consumption. Agrobank runs programs like the Water Management School to educate farmers, and collaborates with entities such as the Global Green Growth Institute (GGGI) to develop green financial products and attract international funding. This positions Agrobank as a key enabler of national sustainability goals in the agricultural sector.

Clean transportation

Electric transport is vital for Uzbekistan due to its potential to reduce greenhouse gas emissions, combat air pollution in urban areas like Tashkent, and support the country's decarbonization goals amid rising climate challenges. As a landlocked nation with growing energy demands and reliance on fossil fuels, it fosters economic growth through job creation in manufacturing and infrastructure. In recent years (2023-2025), Uzbekistan has pursued strategic measures to accelerate electric transport adoption, including a 2023 presidential decree exempting EVs from excise taxes and customs duties to spur imports and domestic production. The government presented plans to expand EV manufacturing, supported by incentives like subsidies for charging infrastructure and policies promoting new energy vehicles to cut carbon emissions. **Agrobank, as a state-owned agricultural bank, contributes to electric transport by financing zero-emission EVs under its Green Finance Framework, which supports clean transportation projects through green bonds issued in 2024.**

Renewable energy

Solar energy is considered strategically important for Uzbekistan. The abundant solar resources, with over 320 sunny days annually and high irradiation levels across 80% of the territory, enable significant potential for photovoltaic (PV) deployment Recently, Uzbekistan has implemented strategic measures to accelerate solar adoption, including setting ambitious targets for 27 GW of renewable capacity by 2030 (with 40% of power generation from renewables), backed by policies like subsidies for every kWh fed into the grid and incentives for PV manufacturing. **Agrobank plays a key role in advancing solar energy** as a state-owned agricultural bank by financing renewable projects under its Green Finance Framework. Through its 2024 green Eurobond issuance, the bank allocates proceeds to **eligible solar installations like panels, controllers, and inverters,** aligning with national priorities for energy transition in rural and farming sectors.

4. Green finance framework

Agrobank has developed a Green Finance Framework which has been designed to align with the Green Bond Principles of ICMA and Green Loan Principles of LMA/LSTA/APLMA. Green Bond Principles are voluntary guidelines established by International Capital Market Association that recommend transparency and disclosure for issuing Green Bonds. They are developed and jointly endorsed by the Loan Market Association (LMA), the Loan Syndications and Trading Association (LSTA) and the Asia Pacific Loan Market Association (APLMA) and create standard documentation and promote best practices for syndicated lending, which involves multiple lenders providing a large loan to a single borrower. Alignment with all the principles and frameworks mentioned above has been validated by the Second-Party Opinion (marked “Excellent”) provided by Sustainable Fitch on September 19, 2024.

Eligible Green Category	Eligibility Criteria	UN SDGs
Renewable Energy	Financing related to: **Solar Energy** Purchasing of solar power sets, including solar panels, controllers, inverters, Use of the services of professional companies for their installation and maintenance	
Clean Transportation	Financing related to the purchase of **zero-carbon vehicles only.**[1] Zero-carbon vehicles: investments in passenger vehicles with zero tailpipe emissions, such as all-electric (non-hybrid) vehicles and trucks. The use of proceeds includes vehicles that are used for passenger transportation only	
Climate Change Adaptation	Financing related to adaptation projects focused on enhancing preparedness and resilience to the effects of climate change, as well as any actual changes experienced. Investments that provide sustained adaptive solutions and enhance the overall resilience **- of water-management systems for irrigation (i.e. drip irrigation)** 1. Acquisition of drip irrigation kits (emitters, tubes, connectors, pressure regulators) 2. Installation of water storage tanks 3. Purchase of pumps and filters 4. Purchase of automated controllers 5. Use of related Installation services	

Evaluation and Selection Process:
Managed by a Green Finance Working Group (chaired by the Deputy Chairman), involving credit screening, due diligence, and alignment with exclusion lists and national taxonomy.

Management of Proceeds:
Ring-fenced in a dedicated "Green Account," with full allocation targeted within 24 months. Unallocated funds held in low-risk, green-aligned investments. Semi-annual reviews ensure compliance

Reporting and Assurance:
Annual allocation and impact reports until maturity, covering proceeds allocation, project breakdowns, and metrics like GHG emissions avoided, renewable capacity installed, and water savings. Independent external verification is required.

[1] The transport solutions may not be dedicated to the transport or storage of fossil fuels.

5. Issuance summary

Instrument	Amount/Currency	Maturity	Rate	ISIN (Reg S)	Common Code (Reg S)	Rating	Notes
Green Eurobond ($)	$ 400 million	October 2029	9.25% fixed coupon	XS2891726296	289172629	“BB-”	oversubscribed
Green Local Bond (UZS)	UZS 700 billion (~$ 55M)	October 2026	21.75% fixed coupon	XS2903443369	290344336	“BB-”	

6. Allocation report

I. Process of selection and evaluation

Green finance Working Group (GFWG)
Chaired by Deputy Chairman, Meets every month

Treasury Team

Eligible sub-project database
monitoring
Green bond net proceeds balance
investing

Loan Origination and Approval Team

Sub-project screening and identification
Detailed due diligence
Application approval/rejection
(at CC level

Sustainability Team

Reporting to investors and lenders
Communicating relevant events
Drafting and updating the Green Finance Framework
Liaising with external parties, SPO providers, auditors etc

6. Allocation report

II. Allocation to eligible categories/projects [1]

Allocation by category

Project category	Number of loans allocated	Volume of loans allocated (bn. UZS)	Volume of loans allocated (mn. USD equiv.) [2]	% within all categories	% of refinancing
Water-saving technology, o.w.	11 427	4 248	339,6	74,6%	46,9%
- drip irrigation	4 000	1 944	155,4	34,1%	52,7%
- sprinkler irrigation	2 553	1 237	98,9	21,7%	49,3%
- discrete irrigation	1 987	248	19,8	4,4%	48,4%
- laser-planner irrigation	2 887	819	65,5	14.4%	29,2%
Solar panels	9 949	640	51,2	11,2%	31,1%
EV vehicles	1 941	805	64,4	14,1%	74,1%
Total	23 317	5 693	455,1	100,0%	49,0%

Green bond proceeds allocation

Eurobonds	Soum bonds		Total issued	Allocation as of 01/09/2026	
mn. $	bn. UZS	mn. $ equiv.	mn. $	mn. $	**%**
400.0	**700.0**	**55.1**	**455.1**	**455.1**	**100,0%**

[1] as of September 01, 2026

[2] Average USD-UZS exchange rate of 12509.34 is used for the period since first allocation until this report

7. Impact report

I. Indicators

Primary impact indicators

Micro (borrower)-level indicators

Indicators	Unit	WS	SP	EV
Environmental				
Direct water saving	m3/ha	+		
Rise in crop productivity	%	+		
Average SP capacity per borrower	kW		+	
Annual generation per household	kWh		+	
Petrol replaced per car per year	L/year			+
Annual CO_2 avoided (petrol) per car	tCO_2			+
Economic				
Net financial gain	$	+	+	+
Charging cost per car per year	$			+
Net annual fuel savings per car	$			+

Macro (portfolio) - level indicators

Indicators	Unit	WS	SP	EV
Environmental				
Annual water saving	mn. m3	+		
Annual energy saving	GWh	+	+	+
GHG emission reduction/avoidance	tons CO2	+	+	+
Economic				
Additional net income/savings	mn. $	+	+	+

Auxiliary (contributing) indicators

Micro (borrower)-level indicators

Indicators	Unit	WS	SP	EV
Environmental				
Cultivated area per farm	ha	+		
Water usage (pre- and post-loan)	m3/ha	+		
Water usage tariff (pre- and post-loan)	UZS/m3	+		
Water cost saving	UZS/m3	+		
Total water cost saving per farm	$	+		
Annual yield (generation) of SP	kWh/kW(P)		+	
Net energy saved per vehicle per year	kWh			+
Economic				
Commercialized productivity	tons/ha	+		
Crop market price	UZS/ton	+		
Growth in annual sales per farm	$	+		
Net profit margin (pre- and post-loan)	%	+		
Net additional gain from productivity rise per farm	$	+		
Electricity tariff	UZS/kWh		+	+
Annual milage per car	km			+
Specific use per EV car	kWh/100 km			+
Average ICE fuel consumption	L/100 km			+
Average charging volume per car	kWh			+
Cost of petrol	UZS/L			+
Petrol cost avoided per year	$			+

Macro (portfolio) - level indicators

Indicators	Unit	WS	SP	EV
Environmental				
Total cultivated area	ha	+		
Electricity Grid Displacement Factor (EGDF)	tCO_2/MWh	+	+	+
Total installed SP capacity	kW(P)		+	
ICE tailpipe CO_2	kgCO2/L			+
Additional GHG emissions to generate electricity per kWh	tCO_2/yr			+
Energy content of petrol	kWh/L			+
Economic				
Total annual SP generation	GWh		+	

II. Summary of actual impact

Project category	Environmental impact			Economic impact
	Water savings, mn. m^3 per year	Energy savings, GWh per year	GHG emission reduction, tons CO_2 per year	Additional net income/ savings, mn. $ per year
Water-saving technology, o.w.	1 349,13	337,28	179 771,95	87,33
cotton	1 050,02	262,50	139 915	54,0
wheat	299,11	74,78	39 857	28,4
Solar panels	-	174,60	92 017	12,4
EV vehicles	-	29,55	5 175	2.9
Total	**1 349,13**	**541,44**	**276 964**	**97.7**

Success case 1: “Vaisyaz Kahramon” farm (Khonka district): solar panels for reliable irrigation

“Vaisyaz Kahramon” farm in Khonka district has a 110 kW water pump for irrigation. To ensure a stable water supply and reduce electricity costs, the farm obtained a loan from Agrobank on 3 June 2025 in the amount of 175.5 million soums to install 50 kW of solar panels.

The solar panels generate on average 330 kWh of electricity per day (1 kW of solar panels produces about 6.6 kWh per day). Since the installation, the farm has produced a total of 90,214 kWh of electricity. Of this, 76,964 kWh is used for its own needs, and 13,250 kWh of surplus electricity has been sold to the state grid, generating 10.6 million soums in additional income. On average, the farm receives around 1.2 million soums per month from the sale of surplus electricity.

According to the farm management, before installing solar panels, seasonal income made it difficult to consistently pay for electricity, and there were cases when the farm was disconnected from the grid due to arrears, which disrupted timely implementation of agronomic activities. With the solar system, the farm now has sufficient funds in its electricity account, uninterrupted operation of the irrigation pumps, and an additional source of income from selling excess electricity.





Success case 2: “Hidoyat va ofiyat” farm (Akhangaran district): water-saving irrigation technologies

“Hidoyat va ofiyat” farm, established in 2015 in Akhangaran district of Tashkent region, is managed by Pirqulov Hasan. In 2026, using a UZS 399 million Agrobank loan and practical support from the “Irrigation School”, the farm introduced sprinkler irrigation on 10 hectares of grain crops and drip irrigation on another 10 hectares used for potatoes, sunflower and corn.

According to the farmer, as water scarcity has increasingly affected farms in the region, the new technologies have reduced water consumption and labour needs while providing more uniform irrigation. As a result, crop yields in 2026 increased by approximately 30% compared with the previous year.





Following the installation of drip irrigation equipment, the farm also received significant land-tax and water-tax benefits, as well as VAT benefits on grain sales. The farmer paid more than UZS 10 million in water tax last year, while this year the amount was approximately three times lower due to reduced water consumption and a 50% water-tax benefit.

The farmer also reports that drip irrigation has cut fertilizer consumption by half and improved fertilizer efficiency through direct delivery of water to plant roots. Water filtration has additionally reduced the spread of weeds.

Annex 1. Methodology

UNFCCC “Tool to calculate the emission factor for an electricity system”

This UNFCCC-approved methodological tool provides a standardized way to calculate the CO_2 emission factor (tCO_2/MWh) for a given electricity grid. It is widely used in Clean Development Mechanism (CDM) projects and other climate finance mechanisms to estimate GHG reductions from renewable energy or energy efficiency projects. The tool defines Operating Margin (OM), Build Margin (BM), and a Combined Margin (CM), which together reflect both current generation and future capacity trends. By multiplying electricity saved or generated by the relevant emission factor, project developers can credibly quantify avoided emissions, ensuring results are consistent and internationally recognized.

CDM Standardized Baseline ASB0003

The ASB0003 Standardized Baseline is a pre-approved dataset issued by the UNFCCC for Uzbekistan’s electricity sector. It provides ready-to-use grid emission factors (OM, BM, CM) based on verified national data, removing the need for individual project developers to conduct complex calculations. ASB0003 enables renewable energy and efficiency projects in Uzbekistan to quickly and transparently estimate their emission reductions, while ensuring consistency across all projects in the country. For example, the Combined Margin factor is around 0.532 tCO_2/MWh, meaning that every megawatt-hour of clean energy generated or saved avoids roughly 0.53 tons of CO_2 emissions.

GHG Protocol Scope 2 Guidance

The GHG Protocol Scope 2 Guidance is an international standard that helps organizations measure and report indirect greenhouse gas emissions from purchased electricity, heat, or steam. It introduces two key approaches: the location-based method, which uses average grid emission factors, and the market-based method, which accounts for contractual instruments like renewable energy certificates or power purchase agreements. This guidance ensures transparent and comparable reporting of electricity-related emissions and is widely used by companies, financial institutions, and governments to track progress toward climate goals and to support decision-making on energy procurement and decarbonization strategies.

EPA Database

The U.S. Environmental Protection Agency (EPA) database is a comprehensive collection of scientifically verified data sets and tools used to track and estimate greenhouse gas (GHG) emissions, fuel properties, and environmental impacts. It includes widely referenced emission factors, such as CO_2 emissions per liter of gasoline or diesel, electricity generation factors, and lifecycle analysis data for various fuels and processes. These values are used globally in sustainability reporting, project evaluations, and regulatory compliance because they are regularly updated, transparent, and aligned with IPCC methodologies.

Partnership for Carbon Accounting Financials

The Partnership for Carbon Accounting Financials (PCAF) provides a standardized framework for financial institutions to measure and disclose greenhouse gas (GHG) emissions associated with their loans and investments, primarily as Scope 3 Category 15 (financed emissions). This involves attributing a portion of the borrower's or project's emissions to the lender based on the financing provided

Annex 2. Sub-loan terms and conditions

Loan product(s)	Average loan amount (USZ nominal)	Average loan amount ($ equiv.)	Loan currency	Average loan term (months)	Grace period (months)	IR, %
Water-saving technologies						
- All types of irrigation	390,000,000	31,200	UZS	60	24	14%
Solar panels, o.w.						
- to businesses	259,000,000	20,800	UZS	60	12	21%
- to individuals	27,000,000	2,100	UZS	60	12	20%
EV cars, o.w.						
- to businesses	444,000,000	35,600	UZS	60	6	26%
- to individuals	300,000,000	24,000	UZS	44	6	25%

Annex 3. Alignment of eligible projects with Taxonomy of National “Green” Economy

Eligible green category by Agrobank GFF	Taxonomy of National “Green” Economy[1]					Factual indicators of Agrobank projects
	Categories	Sectors	Small sectors	Samples	Eligibility Criteria	
Climate Change Adaptation	**1. Efficiency of use of water and raw materials**	Save water	Production, purchase and installation of water saving, water storage and distribution technologies	Production, purchase and installation of water conservation, water storage and distribution technologies and systems, water-saving agricultural irrigation…	Reduce fresh water consumption by at least 30% for domestic and drinking needs, 20% for irrigation and 40% for industrial and technical needs	Average water savings from installing moder irrigation technology: - cotton field: 32% - wheat field: 27%
Clean Transportation	**4. Green transport**	Low carbon vehicles	Buying low-carbon cars	Purchase of low-carbon vehicles, including electric vehicles, vehicles running on hydrogen, hybrid engines.	2 eq/km (no more than 2 grams of emitted CO_2 per 1 km)	Direct (tailpipe) CO_2 emissions from fully electric vehicles are 0 g CO_2/km
Renewable energy	**6. Renewable energy**	Solar energy	Electric power production facilities (PV and CSP)	Small portable solar home systems, mini-grids for powering small households and other types of autonomous systems.	Unlimited	Aligned

[1] Appendix to the decision of the Cabinet of Ministers No. 561 of October 25, 2023