MOODY'S RATINGS

CREDIT OPINION
7 July 2026

Update

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RATINGS

JSC Bank Uzbek Industrial and Constr. Bank

Domicile	Tashkent, Uzbekistan
Long Term CRR	Ba2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	Ba2
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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JSC Bank Uzbek Industrial and Constr. Bank

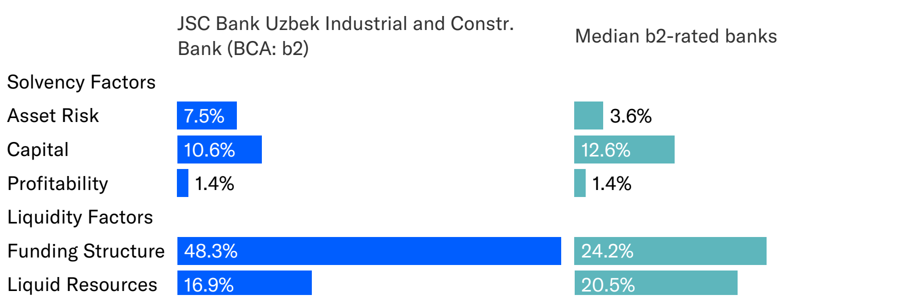
Update following upgrade to Ba2, outlook changed to stable

Summary

JSC Bank Uzbek Industrial and Constr. Bank's (Uzpromstroybank, Sanoat Qurilish Bank or SQB) Ba2 long-term deposit ratings are based on the bank's b2 Baseline Credit Assessment (BCA) and our assessment of a very high probability of support for the bank from the Government of Uzbekistan (Ba2 stable) based on the bank's state ownership and significant market shares.

The bank's BCA is supported by its stable internal capital generation, well-established market franchise and good relationships with international counterparties. At the same time, the BCA is constrained by a weak funding profile and loan book concentration with large Stage 2 exposures.

Exhibit 1
Rating Scorecard - Key financial ratios



Asset risk and profitability reflect the weaker of the three-year average and latest annual figure. Capital is the latest reported figure. Funding structure and liquid resources reflect the latest financial year-end figures.
Source: Moody's Ratings

Credit strengths

» Established franchise in lending to large companies

» Stable internal capital generation

» Sizeable market share and systemic importance for Uzbekistan's banking system

Credit challenges

» Historically modest capital buffers

» Concentrated loan book with a large share of Stage 2 loans

» Elevated refinancing risk caused by very high reliance on market funding

Outlook

The outlook on SQB's long-term deposit ratings is stable, reflecting our expectation that the bank will maintain sound financial fundamentals over the next 12-18 months.

Factors that could lead to an upgrade

» A significant improvement in bank's asset quality and capital could exert upward pressure on the bank's ratings.

» Lower funding risks, reflected in decreasing reliance on market funding and a growing deposit franchise, could also lead us to revisit the ratings.

Factors that could lead to a downgrade

» A decrease of systemic importance or any signs of lower government support could lead us to consider downgrading the ratings.

» Significant asset-quality deterioration or failure to refinance market borrowings would result in negative pressure on the bank's ratings.

Key Indicators

Exhibit 2

JSC Bank Uzbek Industrial and Constr. Bank (Consolidated Financials) [1]

	12-25 [2]	12-24 [2]	12-23 [2]	12-22 [2]	12-21 [2]	CAGR/Avg. [3]
Total Assets (UZS Million)	97,184,401.0	84,800,168.0	73,293,323.0	63,189,300.0	55,731,916.0	14.9 [4]
Total Assets (USD Million)	8,081.6	6,563.2	5,940.1	5,629.1	5,142.4	12.0 [4]
Tangible Common Equity (UZS Million)	10,085,534.0	9,220,949.0	8,348,186.0	7,490,085.0	6,859,465.0	10.1 [4]
Tangible Common Equity (USD Million)	838.7	713.7	676.6	667.2	632.9	7.3 [4]
Problem Loans / Gross Loans (%)	7.5	5.9	4.8	7.4	6.2	6.4 [5]
Tangible Common Equity / Risk Weighted Assets (%)	10.6	10.9	11.6	12.4	13.1	11.7 [6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	37.0	32.6	27.0	36.5	31.4	32.9 [5]
Net Interest Margin (%)	4.4	4.6	4.8	4.2	4.0	4.4 [5]
PPI / Average RWA (%)	3.3	3.8	3.3	3.2	3.1	3.3 [6]
Net Income / Tangible Assets (%)	1.6	1.3	1.2	1.0	1.5	1.3 [5]
Cost / Income Ratio (%)	45.3	39.3	43.2	43.1	40.5	42.3 [5]
Gross Loans / Due to Customers (%)	221.0	330.6	421.6	334.7	328.4	327.2 [5]
Core Banking Liquidity (Non-HQLA) / Tangible Banking Assets (%)	16.9	10.2	11.0	13.4	15.7	13.5 [5]
Less-stable Funds (Non-LCR) / Tangible Banking Assets (%)	48.3	56.2	68.8	62.8	62.2	59.7 [5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel I; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel I periods. Further to the publication of our revised methodology in November 2025, only ratios from annual 2024 onwards included in this report apply reported risk weights for all exposures, discontinuing our previously applied standard adjustment for certain government securities.

Sources: Moody's Ratings and company filings

Profile

JSC Bank Uzbek Industrial and Constr. Bank (also known as Uzpromstroybank, Sanoat Qurilish Bank or SQB) is the third-largest bank in Uzbekistan, with a market share of around 11% by assets and 10% by loans as of June 2026. As of 1 May 2026, the bank was owned by the state through the Fund for Reconstruction and Development of the Republic of Uzbekistan (FDRU, 42%), National Investment Fund of the Republic of Uzbekistan (UzNif, 40%) and the Ministry of Economy and Finance (13%). SQB is domiciled in Tashkent and operated a nationwide network of 107 branches as of year-end 2025. The bank consolidates a fully-owned insurance subsidiary SQB Insurance LLC and SQB Capital LLC and SQB Tower LLC, which manage the bank's property and investments. The group also consolidates 2 partially owned agricultural companies Asaka Agro Star LLC and Beruniy Agro Star LLC.

SQB is a universal bank that historically focused on financing large and medium sized companies in the strategic sectors of the Uzbekistan's economy, as well as lending to state and municipal organizations, with only a small portion of its business dedicated to retail banking. The bank has a wide and long-standing network of counterparties across the world with good relationships with Asian and European-based banks, development institutions and international financial organizations.

Recent developments

The change in Uzbekistan's banking system Macro Profile to "Weak" from "Weak-" reflects the country's improving operating environment

The stronger operating environment has led us to raise Uzbekistan's Macro Profile to "Weak" from "Weak-". Strengthening institutions, reflected in the continued development of banking supervision and regulation, reduce the risk of unexpected defaults and volatility in the banking sector. We also take into account the government's enhanced capacity to support the banking system, as reflected in the higher sovereign ratings. As a result, we expect banks to maintain the stronger credit metrics achieved over the past two to three years. Expanding franchises will continue to support profitability, while increased economic resilience will help contain credit costs.

UzNif IPO

In February 2026, under presidential decree, an additional 10% of the bank's shares were transferred to UzNif. This made up 40% of shares compared to previously planned 30%. The state remains in control of the bank and private investors have only indirect influence on the bank's governance through Franklin Templeton, which manages the fund.

In May 2026, UzNif underwent successful initial placement offering on Tashkent and London Stock Exchange, rasing around $700 mln. Together with SQB, UzNif included minority shares of 12 other Uzbekistan's state-owned companies. Private investors own shares of freely traded UzNif fund, while Franklin Templeton represents investor's interests as the shareholder of SQB and other partially privatised enterprises.

Detailed credit considerations

Stable asset quality with high concentration and solid collateral

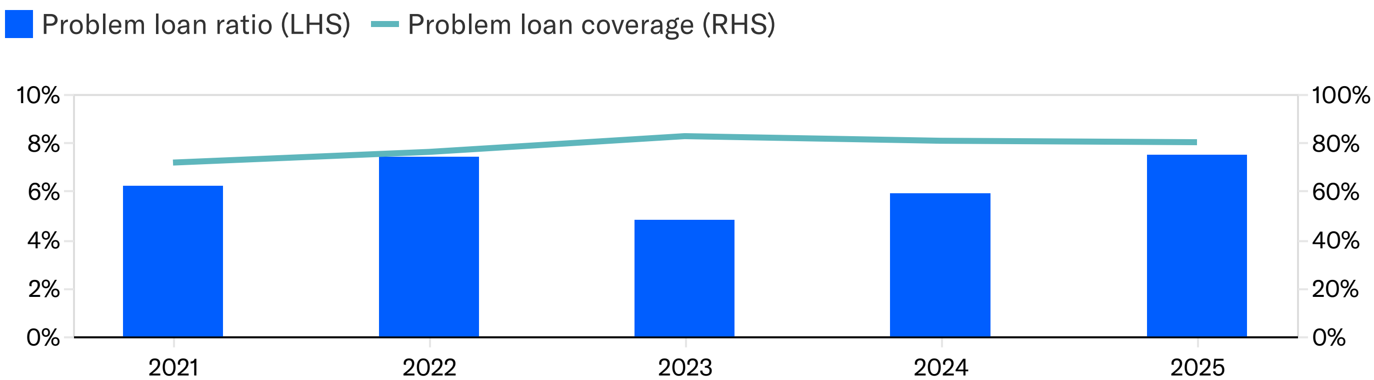
We assign a b2 asset risk score that reflects our Problem loans to Gross Loans ratio of 7.5%, which we consider to be Weak, and is adjusted for a high single-name concentrations and strong collateral provisioning coverage.

During the next 12-18 months, we expect slight deterioration in asset quality amid loan book expansion, portfolio seasoning and some migration of Stage 2 loans to Stage 3. The share of problem loans (defined as Stage 3 loans) slightly increased to 7.5% as of 2025 from 5.9% in 2024. Meanwhile, Stage 2 loans was significant, comprising 36% of gross loans in 2025, up from 27% in 2024.

At the same time, potential future losses are adequately covered by loan loss reserves: 80% as of year-end 2025 (81% in 2024), which is one of the highest among Uzbek state-owned banks. Collateral coverage is also strong, with 73% of the book collateralised by land, property, equipment and direct state guarantees, while unsecured lending was less than 1% as of year-end 2025. Because the bank deals primarily with large industrial corporations, including state-owned enterprises and municipal and regional borrowers, repossession of pledged collateral supports problem loan workouts.

SQB's loan book is concentrated on a few large clients, with the top 13 largest borrowers accounting for around 23% of the loan portfolio as of 2025. Because of the bank's business model of lending to large companies, including exporters, the level of dollarization in SQB's loan book is also high, with around 61% of loans denominated in foreign currencies as of year-end 2025.

Exhibit 3
Problem loans are well covered by provisions



Problem loan coverage: loan loss reserves % problem loans.
Source: Moody's Ratings

Historically weak capital boosted by recent additional capital issuance

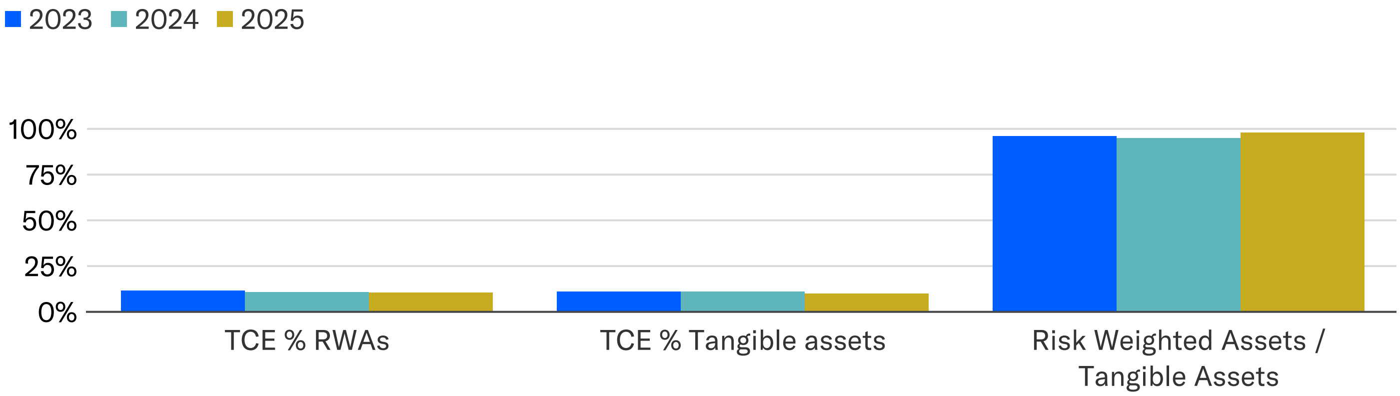
We assign a b3 score for capital that reflects our Tangible Common Equity (TCE) to Risk Weighted Assets (RWA) ratio of 10.6% (10.9% in 2024), which we consider to be Weak, in line with the historic ratio, reflecting our expectation of asset growth and the bank's still-weak loss absorption capital compared with peers in the same rating group.

The bank reported a regulatory total Capital Adequacy Ratio (CAR) of 17.0% and Tier 1 capital ratio of 14.0% as of year-end 2025 (2024: 15.6% and 10.6%, respectively), exceeding the minimum regulatory levels of 13% for Total CAR and 10% for Tier 1.

In 2025, the bank issued $300 million Additional Tier-1 (AT1) notes, which topped up its prudential capital buffers. Although we consider issuing AT1 instruments positive for the bank's capital, our metrics do not take into account hybrid instruments and capture only core loss-absorbing capital.

We expect SQB's capitalisation to remain under pressure in the next 12-18 months, considering expected business growth. At the same time, its stable internal capital generation model will continue to soften capital erosion. Unlike some of the other state-owned banks, SQB's business model is self-sufficient with internal capital generation. There have been no capital injections by the shareholders in the past five years and no dividend payouts. The bank relies on profit to fund credit costs and lending growth. In 2025, the bank reported a 15.6% return on shareholders' equity.

Exhibit 4
Capital has been under pressure from high growth



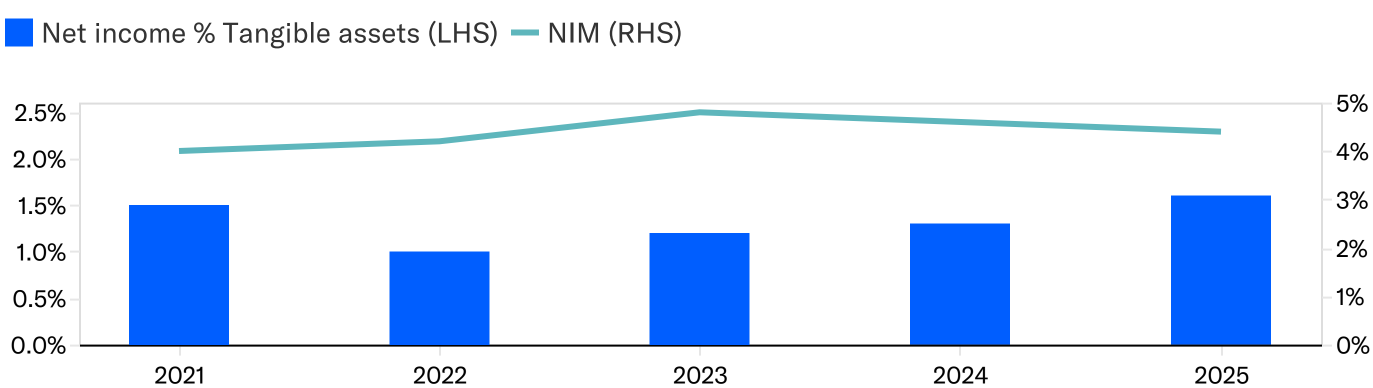
TCE % RWA: Tangible common equity/risk-weighted assets; TCE/tangible assets or nominal leverage: tangible common equity % of tangible assets; Tangible assets: Total assets minus goodwill and other intangible assets.
Source: Moody's Ratings

Solid profitability strained by high provisioning costs

We assign a ba3 score for profitability that reflects our Net Income to Tangible Assets ratio of 1.4%, which we consider to be Strong, in line with the historical score, to reflect our expectation of stable earnings and improving cost efficiency in preparation for privatization.

SQB reported net income of UZS1.5 trillion in 2025 (UZS1.1 trillion in 2024), which translated into a return on tangible assets of 1.6%. SQB's recurring earnings will remain supported by a stable net interest margin (NIM), which stood at 4.4% in 2025. The bank demonstrated strong operating efficiency with a solid cost-to-income ratio of 45% as of the same date. At the same time, loan loss provisions will remain substantial in the next 12-18 months. The bank reported 1.6% loss reserve provisions compared with the average gross loan book in 2025, which was 37% of pre-provision income. In addition, a sizable part of net revenue is generated from foreign-exchange gains and currency conversions (around 25% in 2025). Although generally we consider this revenue less stable than interest income, SQB's currency operations are integral to the bank's model of funding the export-oriented business.

Exhibit 5
Profitability is supported by solid margins, but credit costs remain high



NIM = net interest margin.
Source: Moody's Ratings

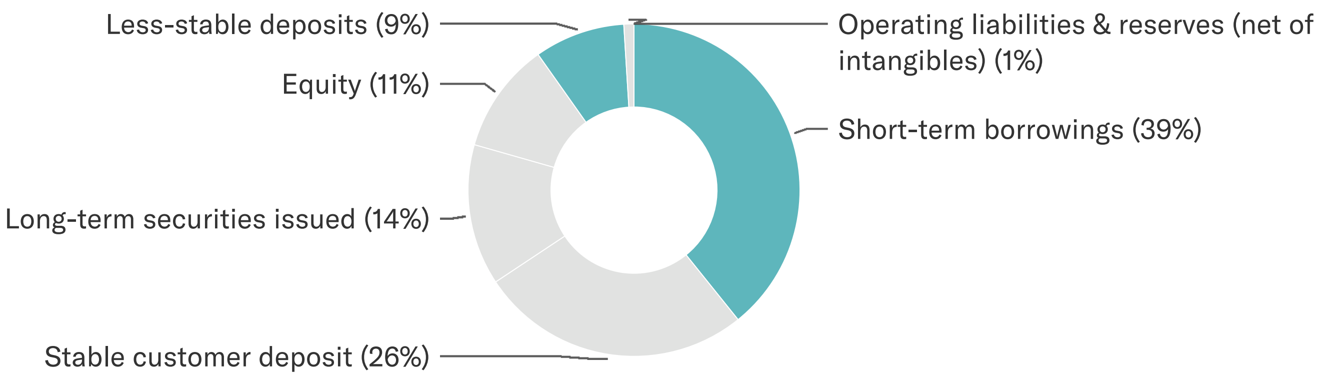
High reliance on foreign investors and growing deposit franchise

We assign a b3 score for funding structure that reflects our Less Stable Funds to Tangible Banking Assets ratio of 48%, which we consider to be Weak, based on our expectation of a gradual decrease in reliance on external funding and the switch to a deposit funding model.

SQB's funding profile is weak, with interbank funding being the largest funding source. In 2025, around 46% of SQB's total funding was represented by market borrowings primarily from international banks, development and financial institutions. Around 17% of the bank's funding came from local development institutions and government entities.

Although SQB has a good and long track record of international relationships and a long history of foreign borrowing, market risks remain a key concern, underpinning the bank's creditworthiness. In 2025, the bank's loans/customer deposits decreased to 221% compared with 331% as of year-end 2024. There is a strong push for the bank to increase its deposit base. Its deposit base grew 52% in 2025 (47% growth in 2024) and is projected to grow faster than the market in the next few years. However, longer-term projects will continue to demand stable investments, which are generally sourced from outside Uzbekistan.

Exhibit 6
SQB is increasingly diversifying its funding base



Less-stable funds comprise short-term funds and less-stable deposits. Short-term funds include all short-term wholesale borrowings, including the portion of long-term debt that matures in less than one year.For banks that do not report LCR deposit outflow components, but do disclose the breakout of their deposit base, we calculate or estimate less-stable deposits as follows: Retail deposits * (10%) + Corporate deposits * (40%) + Deposits from banks * (100%) + All other deposits * (20%).
Source: Moody's Ratings

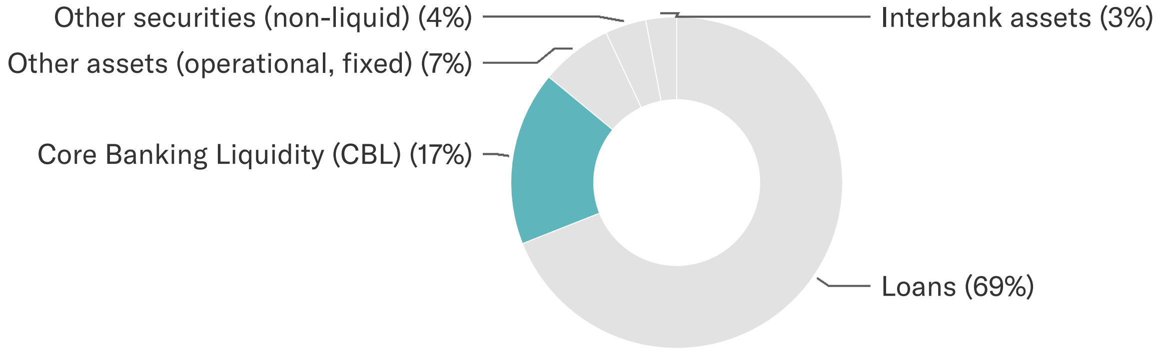
Liquidity pressures are eased by even debt payment distribution

We assign a b1 score for liquid resources that reflects our Core Banking Liquid to Tangible Banking Assets ratio of 16.9%, which we consider to be Moderate, in line with our expected trend of increasing liquidity buffers in the long term.

Historically, the bank's liquidity buffers were modest, in line with most other state-owned banks in Uzbekistan. However at the end of 2025, SQB reported 24% of liquid assets compared to its tangible assets, up from 15% a year earlier. The jump was driven primarily by higher interbank loans and liquid central bank placements. Most of the liquid assets are represented by cash and equivalents, accounts in other financial institutions, and investments in local government bonds.

The debt term structure is relatively evenly distributed in time with no large spikes in refinancing needs concentrated in a single quarter. Borrowing repayments generally match amortization of the loan book

Exhibit 7
Liquidity buffer remains modest relative to total assets

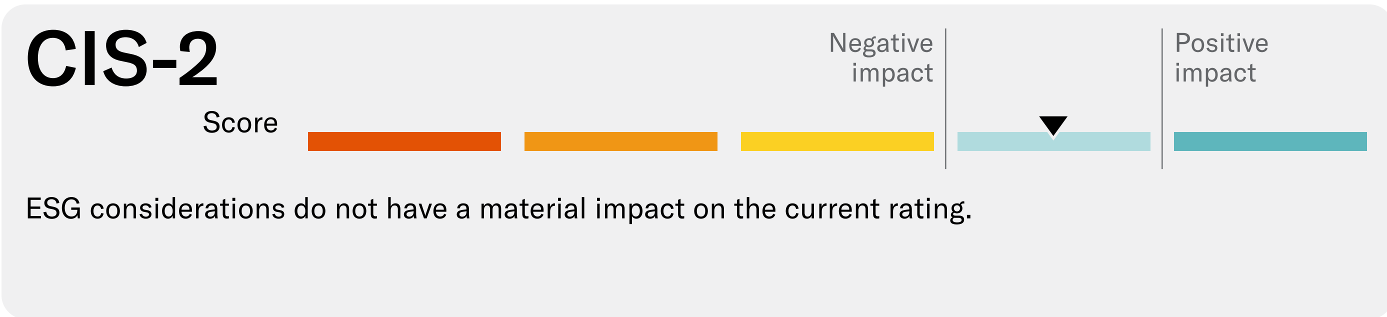


For banks that do not report HQLA, we calculate the numerator using accounting-based metrics.
Source: Moody's Ratings

ESG considerations

JSC Bank Uzbek Industrial and Constr. Bank's ESG credit impact score is CIS-2

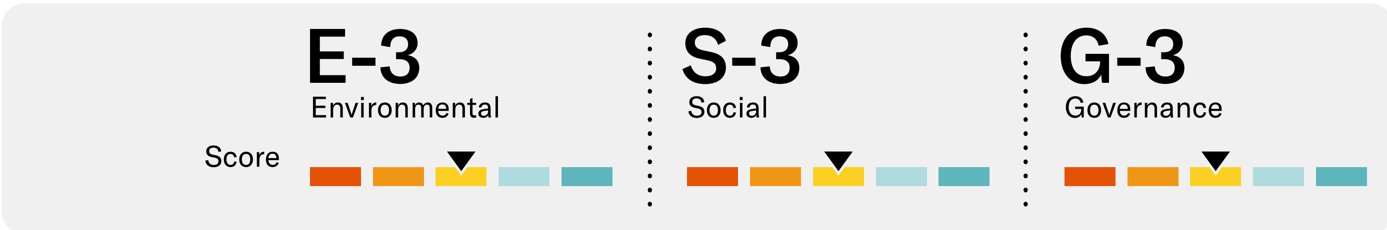
Exhibit 8
ESG credit impact score



Source: Moody's Ratings

JSC Bank Uzbek Industrial and Constr. Bank's **CIS-2** indicates that ESG considerations are not material to the ratings because a very high level of government support mitigates the impact of ESG factors on the ratings. Environmental and social factors have had a moderate impact on the bank's credit profile to date.

Exhibit 9
ESG issuer profile scores



Source: Moody's Ratings

Environmental

JSC Bank Uzbek Industrial and Constr. Bank faces moderate environmental risks primarily because of its portfolio exposure to carbon transition risk. In line with its peers, the bank is facing mounting business risks to meet broader carbon transition goals. The bank has low exposure to physical climate risks because of its modest lending to the agricultural sector.

Social

JSC Bank Uzbek Industrial and Constr. Bank faces moderate social risks related to customer relations, tightening regulatory and compliance standards, and the impact of potential technological disruptions associated with an increasingly digitally active customer base. However, the bank is generally focused on intermediation with simpler product ranges with few identified conduct issues and has been subject to looser regulatory scrutiny on consumer protection.

Governance

JSC Bank Uzbek Industrial and Constr. Bank faces moderate governance risks, weighed down by its government ownership, which may give priority to directed or social lending, entering non-arms-length deals under the government's directives and taking politically and socially motivated decisions that could impair the bank's financial profile. The bank's compliance and reporting are in line with industry.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Government support considerations

Very high probability of support from the government in case of need

We incorporate a Very High probability of government support for SQB's deposits, which results in a three-notch uplift. This reflects our view of the systemic importance of the bank as indicated by its state ownership and large market shares of loans and deposits, as well as the financial stability and reputational risks to the sovereign that could arise in the event of the bank's failure.

Rating methodology and scorecard factors

Exhibit 10
Rating Factors

Macro Factors		
Weighted Macro Profile	**Weak**	**100%**

Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	7.5%	b3	↔	b2	Single name concentration	Collateral and provisioning coverage
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel I)	10.6%	b3	↓	b3	Expected trend	
Profitability						
Net Income / Tangible Assets	1.4%	ba3	↔	ba3		
Combined Solvency Score		b2		b2		
Liquidity						
Funding Structure						
Less-stable Funds / Tangible Banking Assets	48.3%	b3	↔	b3	Expected Trend	Market funding quality
Liquid Resources						
Core Banking Liquidity / Tangible Banking Assets	16.9%	b1	↔	b1	Expected trend	
Combined Liquidity Score		b2		b2		
Financial Profile		b2		b2		
Qualitative Adjustments				Adjustment		
Business and Geographic Diversification				0		
Complexity and Opacity				0		
Strategy, Risk Appetite and Governance				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Ba2		
BCA Scorecard-indicated Outcome - Range				b1 - b3		
Assigned BCA				b2		
Affiliate Support notching				0		
Adjusted BCA				b2		

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	1	0	b1	2	Ba2	Ba2
Counterparty Risk Assessment	1	0	b1 (cr)	2	Ba2(cr)	
Deposits	0	0	b2	3	Ba2	Ba2

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 11

Category	Moody's Rating
JSC BANK UZBEK INDUSTRIAL AND CONSTR. BANK	
Outlook	Stable
Counterparty Risk Rating	Ba2/NP
Bank Deposits	Ba2/NP
Baseline Credit Assessment	b2
Adjusted Baseline Credit Assessment	b2
Counterparty Risk Assessment	Ba2(cr)/NP(cr)

Source: Moody's Ratings

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