

**RATING ACTION COMMENTARY****Fitch Upgrades 3 Uzbek State-Owned Banks to 'BB' on Sovereign Upgrade**

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Fitch Ratings - Dubai - 30 Jun 2025: Fitch Ratings has upgraded three Uzbekistan-based state-owned banks' Long-Term (LT) Foreign- and Local-Currency Issuer Default Ratings (IDRs) to 'BB' from 'BB-' and their Government Support Ratings (GSRs) to 'bb' from 'bb-'. The Outlooks are Stable. The banks are JSC National Bank for Foreign Economic Activity of the Republic of Uzbekistan (NBU), Uzbek Industrial and Construction Bank Joint-Stock Commercial Bank (UICB), and Joint-Stock Company Asakabank (Asaka). The banks' Viability Ratings (VRs) are unaffected by this rating action.

The upgrade of the banks' ratings is driven by the upgrade of the sovereign ratings of the Republic of Uzbekistan on 26 June 2026 (see "Fitch Upgrades Uzbekistan to 'BB'; Outlook Stable", at [www.fitchratings.com](https://www.fitchratings.com)), and reflects Fitch's view of an improved ability of the Uzbek authorities to provide support to domestic state-owned banks.

**KEY RATING DRIVERS**

The LT IDRs of the three banks are equalised with the sovereign ratings of Uzbekistan, reflecting Fitch's view of a moderate probability of government support, as captured by their 'bb' GSRs. The Stable Outlooks on the banks' IDRs mirror those on the sovereign.

Our assessment of support for NBU considers its majority state ownership, high systemic importance, an important policy role as the key lender to strategic industries, and the low cost of support relative to the sovereign's international reserves.

We continue to equalise UICB's and Asaka's GSRs and LT IDRs with the sovereign's at this rating level, despite the government's plans to sell their controlling stakes in the banks to foreign strategic investors by end-2025. This view is primarily underpinned by these banks' majority state ownership, moderate systemic importance and the low cost of potential support.

We believe the planned privatisation of UICB and Asaka is likely to be significantly delayed by the ongoing transformation of their business models and persistent legacy structural issues. In our view, the government will continue to provide these banks with sufficient extraordinary capital or funding support if needed and ensure that they remain adequately capitalised until their eventual sales.

The senior unsecured debt ratings of NBU and UICB have been upgraded to 'BB', in line with their Long-Term Foreign-Currency IDRs.

The Short-Term (ST) IDRs have been affirmed at 'B', which is the only possible option for LT IDRs in the 'BB' rating category.

## **RATING SENSITIVITIES**

### **Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

The GSRs and LT IDRs of NBU, UICB, and Asaka would be downgraded if Uzbekistan's sovereign ratings were downgraded. NBU's ratings could also be downgraded if Fitch takes the view that the Uzbek authorities' ability or propensity to support the bank has weakened.

The ratings of UICB and Asaka could also be downgraded if these banks are sold to a strategic investor with a lower rating than the sovereign, or one without a rating. However, in this instance, Fitch would likely factor in potential government support for both banks at one notch below the sovereign ratings, provided they retain their systemic importance.

The banks' ST IDRs are sensitive to a multi-notch downgrade of their respective LT IDRs.

NBU and UICB's senior unsecured LT debt ratings would be downgraded on a similar action on their respective LT IDRs.

### **Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade**

The GSR and LT IDRs of NBU will be upgraded following a similar action on the sovereign ratings of Uzbekistan.

A positive action on the sovereign rating would not necessarily result in a similar action on the GSRs and LT IDRs of UICB and Asaka, unless their privatisation is cancelled, and they remain under long-term strategic state ownership.

NBU and UICB's senior unsecured LT debt ratings would be upgraded if their respective LT IDRs were upgraded.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

The GSRs and LT IDRs of NBU, UICB and Asaka are directly linked to Uzbekistan's sovereign ratings.

ESG CONSIDERATIONS

NBU and Asaka have ESG Relevance Scores of '4' for Governance Structure as Uzbekistan's authorities are highly involved in the banks at board level and in their business and strategy development, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

Asaka also has a ESG Relevance Score of '4' for Financial Transparency, reflecting delays in IFRS accounts publications, which are prepared only on an annual basis. This has a moderately negative impact on the bank's credit profile and is relevant to the ratings in conjunction with other factors.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕	PRIOR ↕

Uzbek Industrial and Construction Bank Joint-Stock Commercial Bank	LT IDR	BB	Upgrade	BB-	
	ST IDR	B	Affirmed	B	
	LC LT IDR	BB	Upgrade	BB-	
	LC ST IDR	B	Affirmed	B	
senior unsecured	Government Support		bb	Upgrade	bb-
	LT	BB	Upgrade	BB-	
	LT IDR	BB	Upgrade	BB-	
	ST IDR	B	Affirmed	B	
JSC National Bank for Foreign Economic Activity of the Republic of Uzbekistan	LC LT IDR	BB	Upgrade	BB-	
	LC ST IDR	B	Affirmed	B	
	LT IDR	BB	Upgrade	BB-	
	ST IDR	B	Affirmed	B	

PREVIOUS

NEXT

VIEW ADDITIONAL RATING DETAILS

Additional information is available on [www.fitchratings.com](https://www.fitchratings.com)

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## APPLICABLE CRITERIA

[Bank Rating Criteria \(pub. 22 Mar 2025\) \(including rating assumption sensitivity\)](#)

## ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

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## ENDORSEMENT STATUS

Joint-Stock Company Asakabank	UK Issued, EU
Uzbek Industrial and Construction Bank Joint-Stock Commercial Bank	UK Issued, EU
JSC National Bank for Foreign Economic Activity of the Republic of Uzbekistan	UK Issued, EU

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