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Fitch Ratings assigned “BB- (EXP)” rating to debut Eurobonds of Ipoteka-Bank

Fitch Ratings has assigned an expected Long-term rating of 'BB- (EXP)' to the upcoming issue of Ipoteka-Bank's senior unsecured US dollar-denominated Eurobonds.

The volume of the issue is expected to be around USD 300 million. Ipoteka-Bank plans to use the proceeds from this issue to finance foreign currency loans.

The expected rating is in line with Ipoteka-Bank's Long-term Issuer Default Rating (IDR) of 'BB-'. The bonds will represent the bank's unconditional senior unsecured obligations, equal in priority to its other unsecured obligations.

The IDR of Ipoteka-Bank “BB-” is based on the opinion of Fitch Ratings about the moderate likelihood of support from the government of Uzbekistan. This view takes into account the ability, as well as the high willingness of Uzbekistan to provide support to the bank based on majority state ownership, as well as the potentially low cost of supporting Ipoteka-Bank in comparison with the foreign exchange reserves of the state and the history of providing support to state-owned banks that dominate the banking sector in Uzbekistan.

Suppose Ipoteka-Bank's ratings are downgraded or revoked since the state ceases to directly or indirectly control the bank. In that case, the preliminary documentation on the bonds contains a status change clause, according to which bondholders will redeem these bonds at face value.

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