

### JSCB BUSINESS DEVELOPMENT BANK'S ACTIVITIES AND ITS ANALYSIS

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#### Abstract:

This article talks about the main activities of the joint-stock commercial bank “Business Development Bank”. Also, the financial situation of this commercial bank and the services it provides to customers in the last 5 years are analyzed.

**Keywords:** legal heir, financial resource, authorized capital, foreign currency, branch, automated branches.

On the establishment of the JSCB Business Development Bank, the President of the Republic of Uzbekistan on August 18, 2023, at a meeting with entrepreneurs, it was proposed to further sustainably develop the small business sector of the economy, consistently deepen economic reforms in business entities, support entrepreneurial activity, strengthen its material and financial base, and accelerate the creation of modern enterprises for deep processing of economic products through the development of entrepreneurship for producers of economic entities. To this end, in accordance with this resolution, the shareholders of the joint-stock commercial bank “Rural Construction Bank” reorganized it into the joint-stock commercial bank “Business Development Bank”.

JSCB Business Development Bank, an open joint-stock company, was recognized as the legal successor of JSCB “Rural Construction Bank” in terms of property, financial and other obligations, as well as requirements guaranteeing the safety and timely return of funds of legal entities and individuals.

The main tasks of the JSCB Business Development Bank are as follows:

- providing loans and comprehensive banking services to farms which produce agricultural products;
- consistently improving credit and financing mechanisms for agricultural producers and enterprises of all forms of ownership, including



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cotton ginning and grain processing enterprises specializing in the processing, storage, transportation and sale of cotton and grain products;

- implementing an active investment policy aimed at improving the land reclamation condition, modernizing production in the agro-industrial complex, technical and technological innovation, attracting modern foreign technologies and equipment, on this basis ensuring the production of high-quality products that are competitive in the domestic and foreign markets, and sustainably filling the domestic consumer market with local food products;
- mobilizing the bank's own resources, attracting funds from the population and enterprises by offering new attractive types of deposits, using them effectively, including in the implementation of investment projects, and ensuring timely and full return of invested funds;
- attract investments and grants from international financial institutions and leading foreign banks, with the subsequent refinancing of agricultural producers and enterprises of the agro-industrial sector of the republic's economy with these funds.

It is worth noting that the “Business Development Bank” was established on the basis of “Rural Construction Bank”, which was awarded the title of “Bank of the Year” in Uzbekistan in 2017 and 2018.

When analyzing the main indicators of the Bank and client structure of JSCB “Business Development Bank”, the number of bank branches was 178 in 2017, 178 in 2018, 178 in 2019, 170 in 2020, 170 in 2021, 170 in 2022, 171 in 2023, and 171 in May 2024. Although there is almost no significant difference between these years, we can see that the number of indicators is relatively increasing or decreasing. The number of branches did not change between 2017, 2018, and 2019. In 2020, 2021, and 2022, the number of branches reached 170, which means that the number of branches decreased by 8. In 2023, the number of bank branches increased by 1, to 171. As of May 2024, the number of branches remained unchanged at 171.

**Table 1 Analysis of the main indicators of the activity of JSCB “Business Development Bank” in the structure of the bank and clients**

№	Main indicators	2017	2018	2019	2020	2021	2022	2023	2024
1	Bank and customer structure	178	178	178	170	170	170	171	171
1.1	Number of branches	166	195	248	180	244	183	143	142
1.2	Number of banking service centers	219	170	101	66	7	5	5	5
1.3	Number of special boxes	47	187	225	215	212	210	208	208
1.4	Number of currency exchange branches	182	179	232	289	322	346	307	306
1.5	Number of international money transfer branches	0	0	0	108	165	498	591	591
1.6	Number of 24/7 automated branches	274 224	304 693	319 391	355 702	411 840	434 601	443 848	447 767
1.7	Total number of customers:	222 131	246 812	262 753	288 085	322 515	337 591	339 251	341 543
	<b>Legal entities</b>	66 362	73 736	80 174	97 837	131 556	144 159	152 509	155 496
	- small business entities	79 304	88 115	95 001	85 371	99 063	97 053	85 105	85 776
	- farms	52 093	57 881	56 638	67 617	89 325	97 010	104 597	106 224
	<b>Individuals</b>	10 382	11 536	7 118	9 756	16 403	23 026	12 805	3 477
1.8	Number of appeals	178	178	178	170	170	170	171	171

Bank capital: 532 in 2017, 1 374 in 2018, 2 214 in 2019, 4 627 in 2020, 5 371 in 2021, 9 346 in 2022, 9 505 in 2023, and 9 351 in 2024. If we compare these years, we can see that in 2017-2018, it increased to 842, in 2018-2019, to 840, in 2019-2020, to 2 413, in 2020-2021, to 744, in 2021-2022, to 3 975, and in 2022-2023, to 159. However, this indicator decreased slightly in 2023 and May 2024, decreased by 159. Bank capitals amounted to -154 billion soums and 98% in percent compared to 01.01.2023. On 01.01.2022, they amounted to 5 and 100% in billion soums.

**Table 2 Composition of bank capital**

Main indicators	2017	2018	2019	2020	2021	2022	2023	01.05.2023
Banking capital	532	1374	2214	4 627	5 371	9 346	9 505	9 351
Authorized capital	368	1 336	2 163	4 393	4 908	8 554	8 554	8 554
Price per share (in soums)	1 168	1 168	1 168	1 168	1 168	1 168	1 168	1 168
<b>Shareholder's interest (%)</b>								
- Fund for Reconstruction and Development of Uzbekistan	6%	66,7%	56,3%	78,5%	78,5%	70,7%	46,3%	46,3%
- Reform Agency under the President (since 01.04.2023)	60%	24,0%	38,0%	18,7%	18,7%	27,1%	52,2%	52,2%
- Others	34%	9%	6%	3%	3%	2%	1,5%	1,5%

Authorized capital: The authorized capital of the bank was 368 in 2017, 1 336 in 2018, 2 163 in 2019, 4 393 in 2020, 4 908 in 2021, 8 554 in 2022, and 8 554 in January and May 2023. If we compare over the years, it increased by 968 in 2017-2018, 827 in 2018-2019, 2 230 in 2019-2020, 515 in 2020-2021, and 3 646 in 2021-2022, while these indicators remained unchanged in 2022-2023.

### Conclusion

Our research revealed that the Business Development Bank has 13 regional branches, 171 branches and more than 720 mini-banks throughout Uzbekistan. The Bank has set itself the tasks of developing agriculture and deepening reforms in agriculture, supporting the farming movement, and providing a wide range of banking services to agricultural producers.

In our opinion, the bank chooses liquidity and solvency as a priority, and then seeks to increase profitability.

In order to strengthen the bank's capital base, 30 percent of the profit received in 2009 will be directed to capitalization. This, in turn, will serve as the basis for increasing the bank's assets and profitability, and will create a basis for the bank's future development.

The overall development of the republic's banking system is one of the important external factors affecting the current state of the bank. Given the constant growth in the volume of payments between banks, this factor significantly requires improving the level and direction of the payment system, introducing new banking technologies, and expanding the range of services provided.

### Used literature:

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