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Article

Directions for Enhancing the Efficiency of Commercial Bank Lending to Entrepreneurial Activities

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Abstract: This article examines the lending activities of commercial banks with a particular focus on financing entrepreneurial entities and highlights the significance of bank lending in supporting entrepreneurship. It also identifies and discusses the systemic challenges affecting the efficiency of entrepreneurial lending in Uzbekistan. Furthermore, the study analyzes the return on assets (ROA) and return on equity (ROE) of domestic systemically important commercial banks to assess their financial performance and lending efficiency. Based on the findings, the study develops scientific conclusions and proposes practical recommendations aimed at enhancing the efficiency of commercial bank lending to entrepreneurial activities.

Keywords: commercial banks; entrepreneurship; small and medium-sized enterprises (SMEs); bank lending; efficiency; lending efficiency; financial stability

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1. Introduction

Improving the efficiency of lending to entrepreneurial activities has become a global priority, with increasing emphasis on transforming commercial banks' lending operations through coordinated technological, institutional, and financial reforms. Such transformations are intended to enhance both the quantitative and qualitative dimensions of financing provided to entrepreneurial entities [1]. According to international market analyses, the adoption of modern financial technology (FinTech) solutions by commercial banks has significantly expanded access to finance for small and medium-sized enterprises (SMEs) [2]. In the post-pandemic period, SME lending has recorded an average annual growth rate of approximately 16% in developed economies. Furthermore, "the global digital lending market is projected to reach USD 507 billion in 2025 and expand to USD 985 billion by 2031." These global developments underscore the growing importance of aligning Uzbekistan's entrepreneurial lending practices with international standards to improve the efficiency and sustainability of commercial bank lending [3].

The development of entrepreneurship constitutes one of the principal drivers of economic growth in any market economy. Entrepreneurial activity enhances market competition, promotes employment creation, stimulates production, and contributes to sustainable economic development [4]. In this context, improving the efficiency of commercial bank lending enables entrepreneurial entities to utilize their growth potential more effectively while strengthening the contribution of the banking sector to overall economic development. Consequently, there is an increasing need to formulate evidence-based policy recommendations and practical strategies aimed at improving the efficiency of entrepreneurial lending in Uzbekistan [5]. Achieving this objective requires, as an initial step, a comprehensive identification of the systemic challenges associated with

entrepreneurial lending practices within the national banking system. Such an assessment provides the foundation for developing scientifically grounded recommendations capable of improving both the effectiveness of commercial bank lending and the financial sustainability of entrepreneurial activities [6].

Modern trends in improving the efficiency of commercial bank lending to entrepreneurial activities have been extensively examined by international scholars, including P. K. Roy, E. Mbedzi, F. Beltrame, and L. Nguyen whose studies have contributed to the understanding of technological innovation, relationship lending, financial inclusion, and institutional factors influencing entrepreneurial finance and SME lending [7].

Among Uzbek scholars, Sh. Z. Abdullayeva, T. M. Qaraliyev, R. D. Dusmuratov, and Sh. S. Azimova have made significant contributions to the study of the national characteristics and evolving trends of entrepreneurial lending in Uzbekistan. Their research primarily focuses on the institutional features of the domestic banking system, lending mechanisms for entrepreneurial entities, and the key factors influencing the development of commercial bank financing for entrepreneurship [8].

The institutional theory of entrepreneurial lending emphasizes that the development of financial and economic relationships in this area depends not only on financial factors but also on the quality of the institutional environment. From this perspective, effective lending to entrepreneurial entities requires a comprehensive institutional framework that "supports credit market development alongside sound financial mechanisms [9]. Our analysis indicates that institutional approaches primarily focus on such factors as the legal and regulatory framework governing entrepreneurial finance, the protection of property rights, the effectiveness of collateral institutions, and the establishment of credit guarantee schemes supported by financial institutions and the government", Collectively, these institutional elements constitute the fundamental legal and institutional foundations of entrepreneurial lending and play a decisive role in expanding access to finance for business entities [10].

It is also important to note that international organizations, particularly the Organisation for Economic Co-operation and Development (OECD) place considerable emphasis on institutional approaches when conducting cross-country comparative assessments of entrepreneurial financing systems. Such comparative studies examine how differences in legal, regulatory, and institutional environments influence the effectiveness, accessibility, and sustainability of entrepreneurial lending across countries, thereby providing an analytical basis for identifying best practices and formulating evidence-based policy recommendations [11].

A considerable body of research conducted by Uzbek scholars has examined the national characteristics of lending practices for entrepreneurial entities. However, a critical review of this literature indicates that existing studies have predominantly focused on the legal and institutional framework governing commercial bank lending products, while comparatively limited attention has been devoted to the broader issues associated with entrepreneurial activities and the effectiveness of entrepreneurial lending. Consequently, important aspects related to improving lending efficiency, financing accessibility, and the sustainable development of entrepreneurship remain insufficiently explored [12].

For example, Z. Kh. Zakhidova examines "the distinctive features of commercial bank financing for small business entities, reviews international experience in small business lending mechanisms, and analyzes the legal and regulatory framework governing commercial bank lending to small enterprises". While these studies provide valuable insights into the institutional and legal dimensions of entrepreneurial finance, they pay relatively less attention to evaluating the effectiveness of lending mechanisms and identifying practical approaches for enhancing entrepreneurial lending performance [13].

Similarly, B. B. Sultonmurodov investigates - "the functional characteristics of commercial bank lending mechanisms for financing investment projects and identifies opportunities to enhance their efficiency through the adoption of international best practices [14]." However, his analysis does not sufficiently explain the relationship

between the specific characteristics of entrepreneurial development in Uzbekistan and the lending practices adopted by commercial banks to support entrepreneurial activities. Consequently, the interaction between entrepreneurial development and the effectiveness of bank lending remains inadequately addressed. Likewise, Sh. S. Azimova analyzes that "the legal and institutional foundations of commercial bank lending practices in Uzbekistan and identifies opportunities to modernize lending products by drawing on the experience of European and Russian banking systems [15]. Although the study provides valuable insights into international lending practices, it does not comprehensively assess their applicability to financing entrepreneurial activities within the Uzbek context." Moreover, the proposed recommendations are largely oriented toward the direct adoption of foreign practices without sufficient consideration of the institutional, regulatory, and economic characteristics of the domestic financial system [16].

It should be emphasized that, since gaining independence, Uzbekistan has developed its own distinctive institutional framework and practical experience in promoting entrepreneurship and entrepreneurial finance. Therefore, improving the efficiency of commercial bank lending requires not the direct replication of foreign models, but rather their careful adaptation to national economic conditions, institutional arrangements, and the specific needs of the domestic entrepreneurial sector. Such an adaptive approach is more likely to enhance the effectiveness and sustainability of entrepreneurial lending in Uzbekistan [17].

2. Materials and Methods

This study employs a combination of qualitative and quantitative research methods to ensure a comprehensive analysis of the efficiency of commercial bank lending to entrepreneurial activities. Specifically, the research utilizes the methods of induction and deduction, systematic and theoretical analysis, logical and historical approaches, analysis and synthesis, grouping, monographic analysis, and economic–mathematical analysis. The integration of these methodological approaches facilitates a comprehensive assessment of entrepreneurial lending practices, the identification of systemic challenges, and the development of scientifically grounded conclusions and practical recommendations aimed at improving the efficiency of commercial bank lending.

3. Result

Based on our empirical research and statistical observations of the national banking sector, several systemic constraints affecting the efficiency of commercial bank lending to entrepreneurial entities have been identified. These include limited access to bank credit, high lending interest rates, information asymmetry, excessive government intervention, and the risk-averse lending behavior of commercial banks (see Table 1). These challenges negatively affect the lending activities of commercial banks regardless of their ownership structure or market position and consequently restrict entrepreneurs' access to external financing. Therefore, they can be regarded as systemic barriers to the development of entrepreneurial lending in Uzbekistan.

The identified systemic challenges can be explained as follows. First, commercial banks generally require collateral with a value of at least 125% of the loan amount as security for entrepreneurial loans. This stringent collateral requirement creates substantial barriers for small and medium-sized enterprises (SMEs), many of which possess insufficient eligible assets to satisfy banks' collateral policies. As a result, a considerable proportion of viable entrepreneurial projects experience limited access to bank financing despite demonstrating acceptable business potential.

Second, relatively high inflation and the elevated refinancing (policy) rate within Uzbekistan's macroeconomic environment contribute directly to higher commercial lending interest rates. Consequently, borrowing costs remain substantial for entrepreneurs, particularly for SMEs, reducing the demand for bank credit and discouraging investment in business expansion. High financing costs also weaken the

ability of entrepreneurial entities to maintain sustainable growth and improve their long-term financial performance.

Table 1. Systemic Challenges in Ensuring the Efficiency of Entrepreneurial Lending in Uzbekistan

No.	Systemic Challenge	Description
1	Limited accessibility of bank credit	In practice, obtaining bank loans for entrepreneurial activities remains difficult, particularly for small and medium-sized enterprises (SMEs), due to insufficient eligible collateral to satisfy commercial banks' collateral requirements.
2	High lending interest rates	Owing to persistent inflation, the relatively high refinancing (policy) rate of the Central Bank, and elevated credit risk within the national economy, commercial banks apply comparatively high lending interest rates to entrepreneurial loans. This reduces the demand for bank credit among entrepreneurial entities.
3	Information asymmetry in lending	The transparency of entrepreneurs' financial reporting remains insufficient, while many entrepreneurial entities lack adequate information regarding commercial banks' lending products, preferential credit programs, and available financing opportunities.
4	Excessive government intervention in lending activities	Government subsidy programs designed to compensate part of loan interest payments have demonstrated limited effectiveness. High borrowing costs, bureaucratic procedures associated with obtaining subsidies, and the limited scale of subsidized financing reduce the overall effectiveness of these support mechanisms.

Insufficient transparency in the financial reporting of entrepreneurial entities, combined with inadequate dissemination of information regarding commercial bank lending procedures, preferential loan programs, and tax incentives, creates significant information asymmetry between lenders and borrowers. As a result, many entrepreneurs remain insufficiently informed about available financing opportunities, which restricts their access to commercial bank credit and limits the effective utilization of lending services.

Furthermore, government subsidy programs designed to compensate a portion of loan interest payments have not achieved the desired level of effectiveness. Despite these support mechanisms, lending interest rates remain relatively high, while extensive bureaucratic procedures and the limited availability of subsidized financing reduce entrepreneurs' ability to benefit from such programs. Consequently, these institutional shortcomings diminish the overall effectiveness of state support for entrepreneurial finance.

Another important constraint is the relatively weak capitalization of many domestic commercial banks, which limits their capacity to assume higher lending risks. As a consequence, banks generally adopt conservative lending policies toward untested business ventures, particularly innovative and start-up projects. This cautious approach has resulted in an underdeveloped role of commercial banks in financing innovation. It should be emphasized, however, that international experience demonstrates that

financing innovative and start-up enterprises represents one of the most profitable lending segments for commercial banks when supported by effective risk assessment and portfolio management practices.

Considering that "the Central Bank of the Republic of Uzbekistan has designated JSC National Bank of Uzbekistan, Agrobank JSCB, JSCB Uzsanoatqurilishbank, People's Bank of Uzbekistan, Ipoteka-Bank JSCMB, Kapitalbank JSCB, and Asakabank JSC as domestic systemically important banks (D-SIBs)" сифатида эътироф этилганлигини инобатга олиб, ушбу банкларнинг мамлакатда тадбиркорлик фаолиятини кредитлаш амалиёти билан боғлиқ бўлган ўзига хос хусусиятларини қиёсий таққослаш асосида тадбиркорлик фаолиятини кредитлашнинг самарадорлигини ошириш йўналишлари бўйича чуқур илмий асосланган таклифларни ишлаб чиқиш мумкин бўлади. Шу сабабли айнан ушбу банклар мисолида таҳлилларни ўтказишни лозим топдик.

In banking and financial research, the efficiency of commercial bank operations, including their performance in financing entrepreneurial activities, is commonly evaluated using the indicators of Return on Assets (ROA) and Return on Equity (ROE). The ROA indicator measures the efficiency with which banks utilize their assets to generate profits, whereas ROE evaluates the effectiveness of capital utilization by measuring the rate of return generated for shareholders. These indicators collectively provide a comprehensive assessment of commercial bank financial performance and lending efficiency. The **Return on Assets (ROA)** of commercial banks (ROA_{TB}) is calculated using the following equation:

$$ROA_{TB} = \frac{\sum D_{TB_i}}{\sum A_{TB_i}}$$

Where:

ROA_{TB} – Return on Assets of the commercial bank;

D_{TB_i} – total income generated by the commercial bank whose asset profitability is being evaluated;

A_{TB_i} – total income generated by the commercial bank whose asset profitability is being evaluated.

Similarly, the Return on Equity (ROE_{TB}) of commercial banks is calculated using the following equation:

$$ROE_{TB} = \frac{\sum D_{TB_i}}{\sum K_{TB_i}}$$

ROE_{TB} – Return on Equity of the commercial bank;;

D_{TB_i} – total income generated by the commercial bank whose return on equity is being evaluated;

K_{TB_i} – the equity capital of the commercial bank under evaluation, including the capital invested by its shareholders.

Based on the foregoing considerations, it can be concluded that an analysis of commercial banks' **Return on Assets (ROA)** and **Return on Equity (ROE)** provides a reliable basis for evaluating the efficiency of entrepreneurial lending in relation to each bank's financial capacity. These profitability indicators enable a comprehensive assessment of how effectively commercial banks utilize their assets and equity in supporting entrepreneurial financing while reflecting their overall financial strength and lending potential.

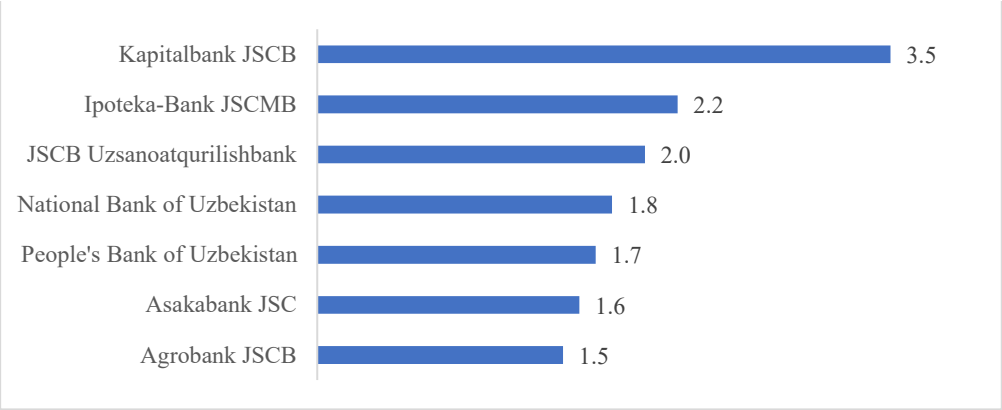


Figure 1. Average Return on Assets (ROA) of Domestic Systemically Important Commercial Banks in Uzbekistan, 2021–2025

The analysis of the average Return on Assets (ROA) of domestic systemically important banks (D-SIBs) in Uzbekistan during 2021–2025, based on data from the Central Bank of the Republic of Uzbekistan, indicates that Kapitalbank JSCB achieved the strongest performance among the sampled banks, recording an average ROA of 3.5%, substantially exceeding that of its peers. In comparison, state-owned commercial banks including the People's Bank of Uzbekistan (1.7%), Asakabank JSC (1.6%), and Agrobank JSCB (1.5%) reported considerably lower profitability levels, with ROA values that were more than two times lower than that of Kapitalbank JSCB (Figure 1).

Overall, the comparative analysis demonstrates that state-owned commercial banks exhibit lower asset profitability than privately owned systemically important commercial banks. These findings suggest that differences in ownership structure may be associated with variations in operational efficiency and asset utilization, thereby influencing the effectiveness of commercial banks in supporting entrepreneurial lending.

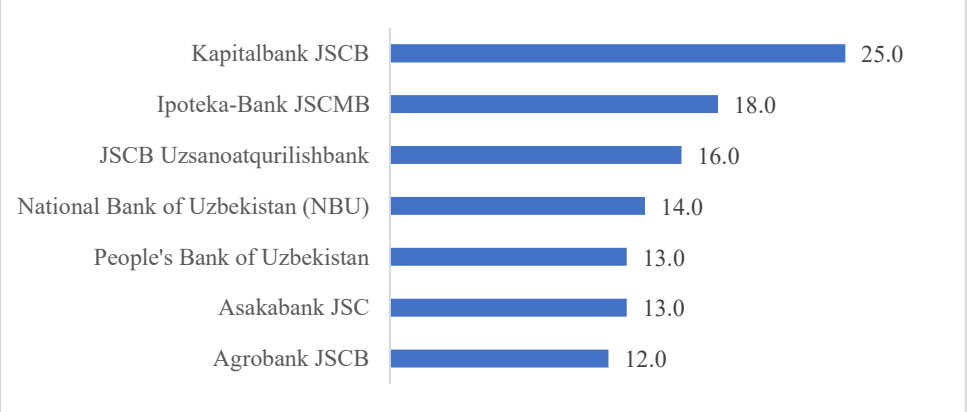


Figure 2. Average Return on Equity (ROE) of Domestic Systemically Important Banks (D-SIBs) in Uzbekistan, 2021–2025

Similarly, the analysis of Return on Equity (ROE) among Uzbekistan's domestic systemically important banks (D-SIBs) reveals substantial disparities in financial performance. Agrobank JSCB (12.0%), Asakabank JSC (13.0%), and the People's Bank of Uzbekistan (13.0%) recorded ROE values that were approximately one-half of the 25.0% achieved by Kapitalbank JSCB (Figure 2). These findings indicate that privately owned commercial banks generate significantly higher returns on shareholders' equity than their state-owned counterparts.

Consistent with the ROA analysis, state-owned commercial banks also exhibited lower Return on Equity than privately owned banks. The evidence therefore suggests that ownership structure is associated with considerable differences in financial performance, with privately owned commercial banks demonstrating more efficient utilization of both assets and equity capital. Overall, the empirical results reveal pronounced disparities in

profitability among Uzbekistan's domestic systemically important banks across both profitability indicators.

Although Uzbekistan has implemented extensive reforms to promote the development of small and medium-sized enterprises (SMEs) in recent years, the government is currently implementing the Strategy for the Development of Small and Medium-Sized Businesses for 2025–2030. The strategic objectives established under this policy framework further reinforce the need to improve the efficiency of commercial bank lending to entrepreneurial activities, as enhanced access to finance remains a critical prerequisite for achieving sustainable SME growth and broader economic development.

Table 2. The Role of Domestic Systemically Important Banks (D-SIBs) in Financing Entrepreneurial Activities in Uzbekistan (Average for 2022–2025)

No.	Domestic Systemically Important Bank (D-SIB)	SME Lending (% of Total Loan Portfolio)	Average Lending Interest Rate for Entrepreneurial Entities
1	Kapitalbank JSCB	Up to 45–50%	22–24%
2	Ipoteka-Bank JSCMB	Up to 35–40%	19–21%
3	Agrobank JSCB	Up to 35–40%	18–20%
4	People's Bank of Uzbekistan	Up to 30–35%	18–20%
5	JSCB Uzsanoatqurilishbank	Up to 25–30%	17–19%
6	National Bank of Uzbekistan (NBU)	Up to 20–25%	16–18%
7	Asakabank JSC	Up to 15–20%	17–19%

To further evaluate the role of domestic systemically important banks (D-SIBs) in financing entrepreneurial activities, an analysis was conducted using data provided by the Central Bank of the Republic of Uzbekistan (Table 2). The empirical findings allow several important conclusions to be drawn.

First, the share of entrepreneurial lending in the total loan portfolios of state-owned D-SIBs including Agrobank JSCB, the People's Bank of Uzbekistan, JSCB Uzsanoatqurilishbank, the National Bank of Uzbekistan (NBU), and Asakabank JSC was lower than that of privately owned banks, particularly Kapitalbank JSCB and Ipoteka-Bank JSCMB. This finding indicates that privately owned commercial banks play a more active role in financing entrepreneurial activities, especially small and medium-sized enterprises (SMEs), within Uzbekistan's banking sector.

Second, state-owned D-SIBs remain more actively involved in financing infrastructure and large-scale investment projects than privately owned commercial banks. Through government development programs and subsidized lending schemes, these institutions are able to provide financing to entrepreneurs at comparatively lower interest rates. Nevertheless, the regulatory requirements and administrative procedures associated with subsidized credit programs create bureaucratic barriers that limit entrepreneurs' effective access to these financing opportunities.

Third, the relatively higher lending interest rates charged by privately owned commercial banks should not necessarily be interpreted as reflecting higher credit risk. Rather, they primarily reflect the market-oriented lending policies adopted by these institutions. Strong demand for business financing, combined with limited lending resources available to commercial banks, has contributed to the maintenance of relatively high lending rates for entrepreneurial borrowers.

Finally, although state-owned commercial banks possess a higher concentration of financial resources than privately owned institutions, private commercial banks demonstrate greater specialization and operational efficiency in financing small and medium-sized enterprises. This comparative advantage has enabled private banks to assume a more significant role in supporting entrepreneurial development and expanding access to business finance.

The empirical evidence indicates that improving the efficiency of entrepreneurial lending in Uzbekistan requires the development of a comprehensive strategic framework based on innovative financial instruments capable of promoting sustainable economic growth while strengthening the financial stability of the banking sector. Such a framework should prioritize improving banks' **Return on Assets (ROA)** and **Return on Equity (ROE)**, reducing the volume of non-performing loans (NPLs), and enhancing the overall competitiveness of commercial banks.

Accordingly, this study proposes a strategic framework for enhancing the efficiency of entrepreneurial lending that seeks to stimulate economic growth, increase employment opportunities, and promote entrepreneurial investment activity through more effective allocation of commercial bank credit. The functional structure of the proposed strategic framework is formulated on the basis of the following economic–mathematical model:

$$EG = f(S_{TBK}, KO'B_R, B_M)$$

Where:

EG – Economic growth;;

S_{TBK} – Efficiency of commercial bank lending to entrepreneurial activities;

$KO'B_R$ – Development level of small and medium-sized enterprises (SMEs);

B_M – Financial stability achieved through enhanced investment activity resulting from improved efficiency of entrepreneurial lending

Furthermore, the proposed strategic framework for enhancing the efficiency of entrepreneurial lending integrates several interrelated policy objectives. These include increasing both the volume and quality of bank lending, strengthening financial stability, expanding the contribution of small and medium-sized enterprises (SMEs) to commercial bank lending and national economic development, and improving the profitability of commercial banks as reflected by their Return on Assets (ROA) and Return on Equity (ROE) indicators.

4. Discussion

The findings demonstrate that the efficiency of commercial bank lending to entrepreneurial activities in Uzbekistan is influenced by the interaction of financial, institutional, and operational factors. Limited collateral availability, high lending interest rates, information asymmetry, and administrative barriers restrict entrepreneurs' access to formal financing, particularly among small and medium-sized enterprises. These constraints confirm that entrepreneurial lending efficiency cannot be improved solely by increasing the volume of credit. It also requires improvements in credit assessment, information transparency, collateral mechanisms, and the institutional environment supporting relationships between banks and borrowers. This interpretation is consistent with previous studies emphasizing that modern credit-scoring systems, relationship lending, and institutional quality play an important role in expanding SME access to finance and reducing lending risks [4], [5], [6],[7].

The comparison of domestic systemically important banks further indicates that ownership structure is associated with differences in profitability and lending specialization. Kapitalbank JSCB recorded the highest average ROA and ROE during 2021–2025 and allocated a comparatively larger share of its loan portfolio to SMEs. In contrast, several state-owned banks reported lower profitability indicators and smaller proportions of entrepreneurial lending, although they possessed greater financial resources and offered relatively lower lending rates. These results suggest that private banks may benefit from more flexible decision-making, stronger market orientation, and greater specialization in SME financing. However, the lower lending rates of state-owned banks remain important for supporting priority sectors and large-scale development

programs. Therefore, improving entrepreneurial lending should not be based on replacing one ownership model with another, but on combining the market efficiency of private banks with the development-oriented capacity of state-owned institutions.

The higher entrepreneurial lending rates charged by private banks should also be interpreted carefully. They do not necessarily indicate weaker lending performance, because private banks may serve riskier borrowers, process loans more rapidly, and operate without extensive government subsidies. Conversely, subsidized credit offered through state-owned banks may be less expensive but more difficult to obtain because of complex documentation and administrative procedures. This difference reveals a trade-off between affordability and accessibility. Accordingly, policy reform should focus on simplifying subsidized lending procedures, improving the targeting of financial support, and ensuring that interest-rate compensation programs benefit commercially viable entrepreneurial projects rather than merely increasing administrative dependence.

The results also highlight the importance of improving risk assessment and reducing banks' excessive dependence on traditional collateral. The requirement that collateral exceed the value of the requested loan limits financing opportunities for start-ups, innovative enterprises, and SMEs with strong business potential but limited fixed assets. Alternative mechanisms such as credit guarantee schemes, cash-flow-based lending, movable-asset collateral, relationship lending, and technology-supported credit scoring could reduce this constraint. International evidence indicates that credit guarantee institutions and advanced lending technologies can improve access to finance while maintaining portfolio quality [4], [5], [15]. Their implementation in Uzbekistan, however, should be adapted to the domestic regulatory environment and supported by reliable financial reporting, credit information systems, and effective monitoring.

The proposed strategic framework is therefore relevant because it links entrepreneurial lending efficiency with SME development, financial stability, investment activity, and economic growth. Its effectiveness will depend on whether the identified stages—strategic planning, regulatory reform, resource mobilization, implementation, monitoring, and continuous improvement—are translated into measurable institutional actions. Commercial banks should adopt performance indicators that assess not only lending growth, but also portfolio quality, SME outreach, processing time, borrower sustainability, ROA, ROE, and non-performing loans. At the policy level, coordination among the Central Bank, commercial banks, guarantee institutions, government agencies, and entrepreneurial associations is necessary to prevent fragmented implementation.

Overall, the study indicates that enhancing entrepreneurial lending efficiency requires a balanced approach that simultaneously improves accessibility, affordability, profitability, and risk control. Digital lending technologies can reduce transaction costs and information asymmetry, while institutional reforms can strengthen borrower protection, transparency, and credit discipline. At the same time, the experience of more profitable and SME-oriented private banks may provide useful operational practices for state-owned institutions. Through carefully adapted reforms, Uzbekistan's banking sector can expand entrepreneurial finance without weakening financial stability, thereby strengthening the contribution of SMEs to employment, investment, productivity, and long-term economic development.

5. Conclusion

In general, the proposed mechanism for implementing the strategic framework to improve the efficiency of entrepreneurial lending consists of six sequential stages. The first stage involves strategic planning, during which key performance indicators (KPIs) are developed to evaluate the achievement of strategic objectives related to entrepreneurial lending. At this stage, measurable performance targets and strategic benchmarks are established.The second stage focuses on regulatory and institutional reform. Existing legal and regulatory frameworks governing entrepreneurial lending should be revised and aligned with the identified strategic priorities and the proposed KPI-based performance evaluation system.The third stage concerns resource

mobilization. Successful implementation of the proposed strategic priorities requires adequate financial resources, qualified human capital, and modern technological infrastructure capable of supporting efficient lending operations.The fourth stage emphasizes implementation through the execution of lending development initiatives accompanied by digital transformation and institutional reforms within commercial banks to enhance the effectiveness of their lending activities.The fifth stage is devoted to monitoring and evaluation, whereby progress toward the established strategic objectives is continuously assessed using the predefined KPI framework. This stage enables policymakers and financial institutions to evaluate implementation outcomes and identify areas requiring corrective action.Finally, the sixth stage involves continuous improvement, in which strategic measures are refined and optimized based on monitoring results and practical implementation experience to ensure the long-term sustainability and effectiveness of entrepreneurial lending.The successful implementation of the proposed strategic priorities also depends on several enabling factors, including government policy support, macroeconomic stability, human capital development, technological infrastructure, institutional cooperation, and information transparency. Together, these factors facilitate the development of a universal model for entrepreneurial lending based on banking sector transformation. Such a model is expected to expand access to finance for entrepreneurs while generating positive multiplier effects on investment, employment, productivity, and overall economic growth.In conclusion, the strategic framework proposed in this study has the potential to make a substantial contribution to achieving the objectives of the Uzbekistan–2030 Strategy" Its implementation could increase the volume of entrepreneurial lending by approximately 1.5 to 2.0 times, raise the share of lending to small and medium-sized enterprises to around 40% of total commercial bank credit, and reduce the average annual ratio of non-performing loans (NPLs) associated with entrepreneurial lending by 4–6%. These improvements would strengthen the efficiency and sustainability of commercial bank lending while enhancing the contribution of entrepreneurship to Uzbekistan's long-term economic development.

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