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From Financial Access to Productive Finance: A Comparative Institutional Analysis of MSME Financing in Indonesia's Conventional and Islamic Banking Systems

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Abstract
This study examines how financial-access priorities are represented in governance, product design and risk-allocation arrangements in Indonesian conventional and Islamic banking, and what public disclosures can establish about productive MSME finance. Using comparative qualitative document analysis, we purposively review source-located passages and selected administrative tables from BRI, Bank Mandiri, BSI and Bank Muamalat, with annual-report coverage framed around 2023–2025 and contextual regulatory and sustainability disclosures. All 12 bank–year annual reports were identified and checked selectively; comprehensive full-report coding and independent recoding were not conducted. The analyzed excerpts support three interpretive dimensions—governance translation, financing architecture and prudential allocation—while exposing non-equivalent product categories and reporting measures, including unresolved differences among BSI report versions and arithmetic tensions in Mandiri tables. Product labels and administrative balances do not establish realized productive use. Originality/value: The study develops a bounded institutional-alignment reading that connects observable organizational arrangements to the measurement limits of MSME financing, without asserting comparative system superiority, policy causality or borrower-level impact.

Keywords: Financial Access, Productive Finance, MSME Finance, Banking, Islamic Banking

INTRODUCTION

The development role of micro, small, and medium-sized enterprises (MSMEs) is difficult to separate from the design of financial intermediation. Small enterprises routinely face information gaps, irregular cash flows, limited collateral, and transaction costs that can alter both the availability and suitability of external finance. From a policy perspective, increasing the number of firms with access to formal credit is valuable; nevertheless, an access indicator is not the same as evidence that financing reaches working capital, productive equipment, or enterprise expansion on terms compatible with a firm's operating cycle. This distinction motivates an institutional rather than exclusively volume-based assessment of MSME finance (Berger & Udell, 2006).

Indonesia offers a substantively relevant setting because banking institutions carry different mandates, operate at different scales, and serve firms under both conventional and Islamic financial arrangements. The Organisation for Economic Co-operation and Development (OECD, 2026) reports that the share of MSME loans in outstanding business loans declined from 22.02% in 2021 to 17.49% in 2025, while the reported MSME non-performing-loan ratio increased from 3.71% in 2023 to 4.33% in 2025. These figures identify a changing aggregate funding environment but do not establish whether declining shares reflect lending supply, borrower demand, changing definitions, macroeconomic conditions, or a shift in bank portfolios. The explanatory task is therefore to examine the institutional channels through which banks classify, govern, and allocate finance rather than to infer an unobserved cause from aggregate ratios.

A particular challenge is that the phrase productive finance is often invoked as though its meaning were transparent. In practice, product classifications, accounting categories, and impact measures refer to different objects. A loan classified administratively as microcredit may have a declared productive purpose, a mixed permitted purpose, or a verified use of proceeds. Disbursement, portfolio outstanding, loan approval, account ownership, and actual enterprise investment are not interchangeable. The study treats productive financing alignment as an observable relationship between documented product purpose and the stated needs of working-capital and investment finance, without asserting that the financed enterprise subsequently raised output or productivity.

Financial regulation further complicates these distinctions. Indonesia's Financial Services Authority (Otoritas Jasa Keuangan [OJK], 2025) introduced Regulation No. 19/2025 to promote easier and more inclusive MSME financing alongside governance, risk management, differentiated schemes, reporting, and consumer protection. The rule entered into force on 2 November 2025. This timing matters: institutional procedures described in bank reports for 2023–2024, and most activity in 2025, cannot be regarded as effects of a regulation that was not yet in force. The regulation instead serves as a contemporary institutional benchmark against which pre-existing and emerging arrangements may be interpreted.

A comparative analysis of conventional and Islamic banking might initially appear to turn on financing contracts and Shariah oversight. Yet the literature cautions against reducing the comparison to a binary system label. Berger and Udell (2006) emphasize the transmission from financial structures and policies through lending technologies. Williamson (2000) distinguishes formal rules from organizational governance arrangements. In Islamic banking, recent institutional research highlights the coexistence of Shariah and commercial banking logics rather than a wholly separate organizational identity (Madani et al., 2025). These perspectives direct attention to mechanisms, organizational context, and the limits of what can be inferred from reported practices.

Empirical studies also occupy parts of the apparent novelty space. Saifurrahman and Kassim (2023) studied asymmetric information and risk assessment in Indonesian Islamic-bank MSME financing, and their subsequent work examined regulatory impediments to inclusion (Saifurrahman & Kassim, 2024). More recently, Wijaya et al. (2026) compared trust-building processes in Indonesian conventional and Islamic bank lending. The present study therefore does not claim that regulatory constraints, information frictions, or cross-system comparisons are unstudied. Its more specific proposed contribution is to examine how documentary evidence can trace the translation of financial-access objectives into governance arrangements, product architecture, and prudential allocation, and where available disclosures cease to support stronger conclusions.

A targeted public-literature audit identifies further close comparators. Wijaya and Moro (2022) analyze trustworthiness and margins in Islamic small-business financing; Wijaya et al. (2023) compare the role of religiosity in financing activity across conventional and Islamic banks; and Harisandi et al. (2023) compare MSME financing efficiency in both sectors. Trimulato et al. (2025) have also synthesized productive financing in Islamic banks through a literature review. These studies substantially narrow any novelty claim founded merely on the dual banking comparison, productive financing, or financing frictions. The defensible contribution remains a conditional, document-traceable account of the fit among governance, product purpose, portfolio definitions and prudential allocation. No systematic Scopus or Web of Science search result count is claimed.

This article addresses the question: How do institutional arrangements in Indonesia's conventional and Islamic banking systems shape the translation of financial-access policies into practices supporting productive MSME financing? It asks how policies and prudential requirements appear in bank-level governance, how financing products classify their intended uses, and how risks and allocation choices are documented. It also asks what types of evidence would be required before one could legitimately conclude that these arrangements improve productive investment. The emphasis is interpretive and process-oriented, not the estimation of a causal treatment effect.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Financial access, productive use, and measurement

Financial access is a multidimensional concept. It can refer to geographic availability, eligibility to apply, formal account or facility ownership, application approval, disbursement, or the sustained affordability of financial services. Each dimension generates a different observable measure, and a single aggregate figure rarely distinguishes them. For productive MSME finance, the theoretical interest is not merely whether a firm receives funds; it concerns whether financing design corresponds to operating requirements, investment horizons, and the firm's ability to bear and manage risk. The distinction is especially consequential where financial reporting combines customer counts, annual flows, and year-end balances.

A portfolio share is a relative measure whose denominator matters. A decline in an MSME share may occur while the nominal volume of MSME finance increases, if other lending segments grow faster. Conversely, larger disbursement totals do not reveal whether an individual firm receives enough financing to invest efficiently or simply refinances existing obligations. These measurement considerations require analysts to retain exact indicator definitions and to distinguish stock from flow data. They also caution against treating reported microbusiness loans as an outcome measure of productivity or welfare without enterprise-level observations.

The analysis accordingly works with three conceptual layers. Administrative access is the existence of rules or products permitting formal participation; documented financing alignment is the intended connection between products and productive uses; realized productive outcomes concern actual deployment of funds and enterprise performance. The first two layers can sometimes be examined from institutional documents, although documentation may still be incomplete or self-interested. The third layer generally requires borrower-level expenditure records, independently checked investment or employment data, or designs capable of addressing rival explanations. Documentary presence should never be silently promoted into outcome verification.

New institutional economics and organizational translation

New institutional economics provides a vocabulary for distinguishing an economy's rule environment from the governance arrangements through which organizations respond to it. Williamson (2000) situates institutional environments and governance structures at analytically different levels and highlights the centrality of transaction organization. The distinction is useful for MSME finance because supervisory requirements may be formally uniform while internal underwriting, monitoring, product authorization, and exception-handling procedures differ across banks. An inference from a regulatory text to a borrower outcome therefore skips important intermediate steps.

The term institutional translation is used here as an interpretive label for those intermediate steps. It covers the adoption of policy responsibilities into bank plans, governance committees, risk policies, operating procedures, product eligibility, and formal monitoring. It does not assume that translation is smooth or successful; a policy may be reinterpreted, operationally constrained, or measured through indicators that poorly reflect its developmental ambitions. Organizational records can indicate which steps are documented, but a claim of implementation must be distinguished from a strategic intention and from an independently verified result.

In a documentary design, this institutional lens also makes non-observation theoretically relevant without treating missing evidence as evidence of absence. If a public report contains a target but no matched process or outcome information, the researcher can accurately describe an evidence gap. The researcher cannot conclude that the corresponding internal process never existed. Public reports are produced for multiple accountability audiences and may emphasize successful initiatives more heavily than rejected cases, process exceptions, or adverse effects. Transparency about that selection problem is integral to the institutional interpretation.

Lending technologies as an intermediary mechanism

Berger and Udell (2006) argue that lending technologies mediate relationships between policy, financial structure, and the credit availability of small firms. A lending technology extends beyond a delivery channel; it includes the information collected, screening and underwriting rules, contract design, and monitoring arrangements. This broader definition prevents a misleading division between digital transactions and relationship-based lending. A bank can automate an application stage while retaining officer checks, discretion, and relational information elsewhere in the process.

For the current research, lending technologies matter in two related ways. First, they operationalize access through eligibility and screening: credit-scoring rules, collateral requirements, verification steps, or sectoral restrictions can affect which firms reach subsequent stages. Second, technology interacts with prudential governance because model outputs must be accepted, challenged, or escalated within an allocation and accountability framework. Reports describing system-based decisions or data analytics can therefore identify relevant organizational arrangements without providing credible evidence on actual time savings, approval quality, or enterprise productivity.

These concerns are not peculiar to conventional banks. Islamic banks also screen clients, monitor risks, and adapt financing arrangements to information and enforcement environments. Contractual differences and Shariah oversight may introduce additional institutional requirements, but the

existence of those requirements does not by itself establish that credit allocation is more equitable, developmental, or efficient. Meaningful comparison requires attention to operating business models, customers, scale, branch reach, and the composition of the portfolios being measured.

Islamic banking, institutional hybridity, and existing evidence

Research on Islamic-bank financing of Indonesian MSMEs has already identified concrete frictions. Saifurrahman and Kassim (2023) explore information asymmetry and risk assessment through a qualitative multi-case design, while Saifurrahman and Kassim (2024) address restrictive regulatory arrangements and financial inclusion. These studies show why a generic statement that Islamic banks face information and regulatory challenges would make a weak novelty claim. A new contribution must specify different mechanisms, additional evidence, or a more carefully bounded comparison.

The organizational literature also challenges simplistic claims about system separation. Madani et al. (2025) characterize Islamic banks as hybrid institutions situated between Shariah and conventional banking logics. That perspective suggests that risk management, organizational reporting, and commercial constraints may converge even while governance mandates and contracts differ. An empirical investigation should identify specific rules or procedures rather than presume the consequences of the Islamic label. In a multi-bank comparison, even apparently distinctive features must be evaluated against variation within each system.

Wijaya et al. (2026) add a direct Indonesia-based comparison of trust-building processes in conventional and Islamic banks financing small businesses. Their study underscores the risk of treating a conventional–Islamic comparison as novel in itself. The present documentary inquiry differs from interview-driven trust research by focusing on disclosed governance and measurement arrangements. That distinction is substantive only if the documentation is systematically sampled, coded, and linked to observations whose interpretations can withstand alternative readings. A document-based method is not automatically an innovation merely because its data format differs.

Related Indonesia-focused work examines trust and financing margins in murabaha (Wijaya & Moro, 2022), religiosity and financing patterns in both bank systems (Wijaya et al., 2023), and conventional–Islamic differences in MSME financing efficiency (Harisandi et al., 2023). A review of productive financing in Islamic banking has likewise been published (Trimulato et al., 2025). Therefore, documenting the existence of a conventional–Islamic difference, identifying risk controls, or invoking productive finance does not alone demonstrate a contribution. A convincing claim requires a transparent evidence trail linking specific policy requirements to dated bank-level arrangements and showing where disclosure definitions limit interpretation.

Recent work illustrates a further boundary for the novelty claim: Faizi et al. (2026) used an explanatory sequential mixed-methods design combining 176 survey respondents and seven qualitative interviews to study Indonesian MSME entrepreneurs' perceptions and barriers to adopting Islamic finance. Their borrower-centred unit of analysis differs from the present bank-disclosure and institutional-mechanism focus, but its existence rules out treating MSME financing barriers or qualitative evidence as novel on their own. This comparison is based on publisher metadata and the abstract; it is not a substitute for indexed-database screening.

A bounded conceptual model

The analytical framework comprises governance translation (M1), financing architecture (M2), and prudential allocation (M3). Business models, bank size, ownership, customer segments, and reporting conventions are contextual or measurement conditions rather than presumed causes. These categories guide the directed documentary comparison and remain open to disconfirming evidence.

Table 1. Operational definitions and inferential boundaries of the proposed mechanisms.

Element	Operational focus	Evidence that would support the claim	Current boundary
M1 Governance translation	Plans, committee roles, supervisory rules, internal policy	Dated resolutions, implemented procedures, oversight reports	Legal obligation ≠ bank-level compliance
M2 Financing architecture	Use purpose, eligibility, underwriting, delivery	Dated product descriptions, operational manuals, verified use-of-proceeds	Product description ≠ actual borrower spending
M3 Prudential allocation	Risk appetite, sectoral limits, target markets	Approved criteria, limits, exception logs, portfolio decisions	Ratification ≠ proven financing effect
Context and measurement	Scale, mission, segment, indicator base	Comparable denominators, vintages, borrower mix	Avoid conventional–Islamic performance ranking

RESEARCH METHOD

Research orientation and design

This study uses comparative qualitative documentary analysis with a theory-informed, explanatory orientation. Documents are treated as records of institutional claims, rules, decisions, and disclosures; they are neither substitutes for unobserved borrower experiences nor neutral windows into every operational activity. Bowen (2009) identifies document analysis as a legitimate qualitative method that calls for attention to authenticity, credibility, representativeness, meaning, and triangulation. The study adopts those criteria and follows relevant transparency principles in the Standards for Reporting Qualitative Research (O'Brien et al., 2014).

The source-identification frame comprises the annual reports for financial years 2023–2025 of four purposively selected Indonesian banks (12 bank–year documents), together with issuer sustainability reports, audited statements, regulatory documents, and relevant product pages. Each of the 12 annual-report slots has at least one source-located targeted check, but none has been comprehensively coded across all potentially relevant sections. The analyzed material is therefore a criterion-selected set of documentary passages and tables within a wider identified frame; it is not an exhaustive document census or a systematic review of every page. This deliberate analytical boundary is carried into the Findings and Conclusion.

The research questions are: (RQ1) how do financial-access priorities and prudential requirements appear in documented governance practices; (RQ2) what similarities and differences characterize screening, product design, and financing-purpose classification; (RQ3) under what documented

circumstances do financing arrangements align with working-capital and investment needs; and (RQ4) what cautious policy implications follow from the observed patterns and disclosure limitations? These questions are suitable for documentary evidence provided they are not reinterpreted as causal claims about actual enterprise productivity.

The theoretical strategy is abductive in a restricted sense: new institutional economics and SME lending-technology theory supply sensitizing concepts, while tensions, inconsistencies, and unexpected contrasts in documents may prompt the refinement of codes and explanations. The analysis is not described as an inductive grounded-theory study, and it does not claim a fully new substantive theory. Its aim is to generate a defensible middle-range framework linking documented policy requirements, bank governance routines, product architecture, and prudential allocation.

Case selection and units of analysis

Four banks were purposively selected to create an analytically informative rather than statistically representative comparison. BRI and Bank Mandiri represent large conventional-bank cases with different microbusiness product structures, while Bank Syariah Indonesia and Bank Muamalat provide Islamic-bank cases with distinct institutional histories, scale, and market orientation. These differences are analytically useful but also generate confounding conditions. Selection is therefore justified by conceptual variation and documentary availability; it cannot support estimates about the average performance of Indonesian conventional or Islamic banks.

The unit of analysis is an institutional financing mechanism rather than the individual borrower, bank profitability, or a sector-wide treatment effect. A case is not considered fully observed merely because a bank publishes an annual report. Documentary completeness is assessed at the level of substantive issues: eligibility and purpose, governance and oversight, risk controls, program volumes, and reporting definitions. Lack of information in a case is coded as unavailable unless a clear, reliable source states that the activity did not occur.

Table 2. Purposive case selection and institutional focus.

Case	Banking system	Primary analytical emphasis	Principal caution
Bank Rakyat Indonesia (BRI)	Conventional	Microcredit process, technology and risk controls	Reported operational design, not measured borrower outcomes
Bank Mandiri	Conventional	KUR/KUM/KSM product taxonomy and purpose	KUM purpose varies by official description and vintage
Bank Syariah Indonesia (BSI)	Islamic	KUR offering, small-enterprise ratio, inclusion targets	Discrepant reported KUR figures require reconciliation
Bank Muamalat Indonesia	Islamic	Target-market and risk-acceptance governance	Allocation approvals must be separated from downstream effects

Documentary corpus and eligibility

Documents are eligible where they provide primary information about bank policy, operational design, governance decisions, risk criteria, product purpose, or financing definitions during the

study period. Annual reports and audited risk notes receive higher evidentiary weight for formal disclosures than undated promotional pages, although a marketing page may legitimately establish that a particular product description was publicly displayed. OJK regulation provides authoritative evidence of regulatory requirements; OECD publications provide aggregate context, not bank-specific causal explanations.

For longitudinal comparability, source vintages are preserved explicitly. A description appearing in a 2023 sustainability report is evidence of a 2023 reported arrangement, whereas an undated current product page cannot be retrospectively assigned to 2023–2025. The analysis stores printed page and zero-indexed PDF page separately and classifies an institutional statement as (i) reported product design, (ii) bank-reported operational activity, (iii) audited financial amount, or (iv) independently observed recipient outcome. Categories (i)–(iii) cannot be promoted to (iv) without beneficiary-level or independent outcome evidence.

The source-identification frame includes 12 annual reports, associated sustainability reports and audited statements where relevant, the 2025 OJK regulation, selected product pages, and contextual statistics. Passage selection for the present analysis was purposive and iteratively refined during the research, rather than pre-registered before data inspection. A passage was retained when it concerned (a) institutional responsibility or formal oversight, (b) financing eligibility, product purpose or screening practice, (c) risk-allocation governance, or (d) the measurement of financing quantities. It also needed a source title, year or capture status, and traceable publication location. Duplicative summary prose without a new claim was not separately counted as evidence. The companion audit workbook records analyzed passages, known contradictory versions, and unexamined source material; sources that are merely identified are not mislabelled as coded.

Longitudinal comparisons are admitted only where the same institution reports a sufficiently consistent construct, reference year, coverage and measurement basis. Retrospective figures printed in the 2025 BSI Sustainability Report are treated as one reporting vintage containing three historical years; they are not counted as three independent annual observations. Year-on-year arithmetic remains descriptive and does not identify policy effects.

The Mandiri audit performs a mechanical reconciliation of KUR, KUM and KSM administrative balances: the three reported components are summed for each year, compared with the printed total, and used to calculate annual growth where definitions appear consistent. Each result is a researcher calculation from issuer-published values, not an independently audited bank balance. In the 2024 report, the stated microloan total is retained alongside the component sum; in the 2025 report, tabular growth of 3.97% and narrative growth of 4.91% are preserved as distinct disclosed statements. The 2024 and 2025 values are also corroborated by bank-hosted searchable extracts, although direct visual inspection of both original Mandiri PDF pages remains outstanding (Bank Mandiri, 2025, 2026).

Coding and inference strategy

In the first coding pass, selected passages were labelled for regulatory requirements, product eligibility and use purpose, screening technology and human checks, financing targets, risk appetite, sectoral allocation, governance approvals, customer segments, or measurement definitions. These codes were applied to source-located extracts and paraphrases, not every line

of each annual report. For the current manuscript, the unit of coding is the substantive documentary claim; repeated figures in multiple passages may refer to the same underlying measure and are not independent corroborating observations. Each audit record seeks to preserve bank, period, document genre, page or stable URL, codes, permitted inference and any competing interpretation.

Second-cycle coding groups the observations into M1–M3 and a set of contextual or rival categories. A claim is upgraded from policy intent to formal decision only with an appropriate resolution, approved rule, or reliable report of ratification; it is upgraded to implementation only with dated operational evidence; and it is upgraded to outcome only with defined output or borrower-performance measures. The chain is not assumed to be linear. Information may be withheld, products may be changed, and public reporting may use distinct measurement bases.

Triangulation is approached through different document genres and actors whenever possible. Regulation is compared with bank reporting; annual-report narratives are compared with audited notes, product disclosures, and sustainability reports; reported movements are compared with definitions and denominators. Divergent numbers are retained with full provenance until reconciled. Negative cases are valuable because they reveal potential category errors: mixed-use product descriptions, mismatched disbursement aggregates, or an apparently relevant risk policy that applies to a different customer segment.

Rival explanations include bank size, state ownership, branch coverage, customer composition, commercial strategy, borrower demand, macroeconomic cycles, changes in classification, and the timing of regulatory reforms. A conventional–Islamic interpretation is not accepted simply because two banks use different procedures. The analysis asks whether similar patterns appear on both sides of the institutional classification and whether within-system differences are substantial. No claim of strong causal process tracing is made unless dated decisions, operational consequences, and competing explanations can be assessed together.

Analytical safeguards include a source registry, passage-selection decisions, page-located evidence, confidence tags, code revisions, contradictory version tracking and a paragraph-level claim-to-evidence crosswalk. The Stage 23 crosswalk covers substantive empirical and interpretive paragraphs from Findings to Conclusion, together with key methodological disclosures; each item is assigned a release decision rather than an unqualified 'verified' label. Coding was completed through a single-analyst workflow, and no intercoder agreement statistic, theoretical saturation, independent borrower-outcome assessment or full-report coding is claimed. The absence of exhaustive coding implies potential selection bias and incomplete negative-case coverage, even where selected documentary examples are sound.

For the 2023 and 2024 BSI cases, the targeted evidence set was expanded using the issuer's 2023 annual-report microbusiness discussion (printed p. 162), its 2024 annual-report operational strategy for 2025 (printed p. 245), and the 2024 audited financial statements, Note 47 on operating segments (printed financial-note pp. 132–133). The audited note reports 2023 and 2024 SME and Micro segment balances in millions of rupiah; values were converted to trillions without interpreting them as loan disbursements, KUR totals, borrower outcomes, or a universal MSME measure. The issuer's description of digital origination and post-booking review is a management-reported procedure rather than independently observed operational effectiveness. This closes the archive-only gap for targeted coding of those two bank-year cases; it does not close full-corpus coding.

Research ethics, scope, and limitations of the evidence

The study analyzes public organizational documents and does not involve direct interviews or personal borrower records in its present design. This reduces certain consent and privacy concerns but does not remove the obligation to represent institutions fairly or refrain from unfounded accusations about reporting quality. Numerical discrepancies are described as unresolved disclosure differences, not fraud or misstatement. Website content may change after retrieval; final reproducibility therefore requires dated snapshots or stable archived sources where legally permissible. The research version also distinguishes referenced reporting years from true publication dates in the APA bibliography.

Evidence hierarchy and verification decisions

The analysis adopts four levels of documentary support: (1) authoritative legal rules for mandated responsibilities; (2) formal resolutions or audited-note reporting for specified decisions; (3) bank statements about implementation for management-reported practice; and (4) administrative indicators for bounded portfolio quantities. A claim about realized productive use or borrower outcomes is never inferred solely from levels (1)–(4). Explicit report statements of implementation receive stronger coding than plans, but remain organizational self-report until corroborated independently. Every adjudicated observation must retain the publication URL, printed-page locator, PDF-page index where relevant, documentary genre, coding rule, and the highest permissible inference.

The Muamalat example illustrates the distinction: an annual-report statement of implemented FAL/RAC provisions is classed as management-reported implementation, whereas a financial-note report of FAL/RAC ratification is a documented governance decision. Neither alone measures the treatment of applicants or the resulting change in productive investment. The same hierarchy prevents general category pages for Mandiri KUM from being treated as vintage-specific proof of fund use, and prevents dissimilar BSI KUR aggregates from being reconciled through averaging.

Reporting completeness, positionality and planned independent challenge

The manuscript is audited against the 21 Standards for Reporting Qualitative Research items (SRQR; O'Brien et al., 2014). This is a transparency checklist, not a certificate of methodological completeness. In particular, a targeted passage-level study must state how the identification frame differs from the analyzed evidence, acknowledge that selection was iterative, and avoid conflating issuer statements of implementation with independently corroborated operational results. The companion research workbook records the release decisions and unresolved actions; it is a supplementary audit artifact rather than part of the article's evidentiary narrative.

Researcher positionality and potential conflicts must be disclosed by the actual author team before submission. No interviews, non-public borrower data, or independent coder assessments were conducted for the present documentary analysis. Reflexive challenge is operationalized through rival-explanation testing, comparison of discordant editions, and retention of unresolved evidence rather than forced numerical reconciliation.

An independent audit is planned rather than claimed to have been performed. A second reviewer should (a) independently inspect a purposive sample of source passages and page locations, (b) code pre-specified positive and negative cases using the frozen codebook, (c) identify discrepancies with the first analyst, and (d) document the resolution process without manufacturing intercoder reliability coefficients. The manuscript will not claim saturation or independent triangulation until the corresponding evidence log and reviewer record exist.

Analyzed evidence boundary and claim adjudication

The identified frame covers twelve bank–year annual reports, but the analyzed dataset consists of strategically selected passages and selected cross-checked financial indicators. Selecting the most policy-relevant passages is appropriate for an exploratory documentary comparison only if its risks are made visible: sections not inspected may contain counterevidence, and a prominent managerial passage does not represent the full bank. We therefore distinguish source identified, passage reviewed, documentary claim coded, numerically reconciled, and independently validated; the last status has not been achieved for borrower outcomes or issuer clarifications. Evidence decisions in the companion workbook retain unresolved discrepancies rather than forcing convergence. Where source copies or print-page images remain unchecked, numerical wording is reported conditionally. The research question and conclusions are restricted to documented arrangements, administrative definitions and bounded within-bank descriptive changes—not population estimates of productive credit or bank-level causal impacts.

RESULTS

Regulation couples access provision with prudential oversight

OJK Regulation No. 19/2025 provides a clear formal policy anchor. The regulation directs banks and relevant nonbank institutions toward easier, faster, more affordable, and inclusive financing, but simultaneously stipulates governance, risk-management responsibilities, business planning, implementation reporting, consumer protection, and staff development (OJK, 2025). Its provisions also contemplate financing arrangements that respond to business characteristics and operating cycles. The documentary evidence therefore supports the conclusion that the regulator frames MSME access as an organizational governance obligation, not merely as an aggregate lending target.

This is a finding about the design of regulation. Because the rule became effective on 2 November 2025, its publication should not be used to explain operational changes reported in 2023 or 2024. Banks may have adopted similar practices earlier, under other requirements or their own risk strategies. A convincing compliance analysis would need to compare dated plans, internal policy amendments, governance communications, and actual applications after the effective date. At this stage, the regulation defines an environment into which pre-existing practices are placed, not an identified cause of historical portfolio movements.

BRI: digital processes coexist with human verification

BRI's 2024 public reporting describes microcredit process development and the KECE 3.0 process, under which applications meeting specific conditions may receive system-based decisions while personnel retain a verification role (PT Bank Rakyat Indonesia (Persero) Tbk., 2025; see audit trail for the exact excerpt). Read through Berger and Udell's (2006) framework, the disclosure is consistent with a composite lending technology that combines data-driven screening and organizational oversight. This is not evidence of a fully automated, discretion-free, or universally accessible loan channel.

BRI's reported strengthening of risk control and microbusiness supervision adds an organizational dimension to the lending-technology account. The same bank can promote access and refine the procedures used to classify and screen applicants. Whether that combination expands approvals for information-poor enterprises or primarily reduces bank exposure cannot be resolved from the quoted report alone. Approval rates, processing time, exception logs, and applicant-level characteristics are needed to distinguish competing explanations. Thus, the finding is limited to the institutional architecture reported by the bank.

Bank Mandiri: product labels are insufficient evidence of productive use

Mandiri's official microbusiness landing page describes Kredit Usaha Mikro (KUM) in terms that include productive or consumptive purposes, whereas its dedicated KUM page and an Indogrosir-specific product page emphasize productive working capital or investment (Bank Mandiri, n.d.-a, n.d.-b, n.d.-c). These statements are not logically interchangeable: one is an umbrella-level description, and the other applies to a specified offer. The difference may reflect program segmentation, successive product versions, or promotional simplification. The observed documentary contrast is a classification problem; it is not proof of improper lending or contradictory customer-level practice.

Earlier calculations that considered the entire KUR-plus-KUM balance a verified productive-finance proxy must therefore be treated as provisional or withdrawn for that purpose. A narrower claim is supportable: banks may publish products whose declared purposes differ in scope, and analysts need program- and vintage-specific evidence to infer productive use. This reframing shifts the comparison from how much reported microcredit a bank holds toward how much of that exposure can be validly linked to business working capital or investment. Actual use-of-funds data remain unavailable in the present public corpus.

A contemporaneous disclosure supports a more precise historical interpretation. In its 2023 sustainability report (printed p. 199; PDF page index 198), Mandiri describes KUM as credit intended for microentrepreneurs' productive investment and working capital and reports IDR 15,674 billion of 2023 KUM disbursements to 361,270 active borrowers (Bank Mandiri, 2024). This is a bank-reported disbursement statement, not an audited measure of actual business use or the same construct as year-end outstanding KUM. The general microbusiness webpage currently allows productive and consumptive purposes, whereas the dedicated KUM webpage describes productive purposes (Bank Mandiri, n.d.-a, n.d.-c). The coexistence of descriptions at different dates and levels of specificity should be treated as an unresolved vintage-and-segmentation issue rather than a proven contradiction in 2023 credit utilization.

The same sustainability report (printed p. 212; PDF index 211) describes the Mandiri Pintar app, including checks via supporting databases, and reports IDR 553 billion disbursed to 10,414 borrowers through the app in 2023 (Bank Mandiri, 2024). This provides a dated trace of technology-enabled origination and bank-reported disbursement, not an externally validated reduction in approval time or enhanced MSME productivity. The bank statement about processing within one day is a reported service claim and requires independent operations data before it can be treated as an observed performance effect.

Bank Mandiri's annual-report tables provide a separate audit opportunity from these product-purpose descriptions. The 2024 report contains the 2023 and 2024 balances of KUR, KUM, and KSM, while the 2025 report repeats 2024 and provides 2025 figures (Bank Mandiri, 2025, 2026). A source-arithmetic test identifies an inconsistency in the 2024 printed grand total and a distinct discrepancy in the 2025 narrative growth claim; the precise reproduction is presented in Section 4.9. Neither discrepancy establishes how borrowers spent KUM funds, and neither supports an accusation of deliberate misstatement.

BSI: financing targets and a consequential disclosure divergence

BSI's 2025 materials report a ratio of small-enterprise receivables, financing, and loans relative to a defined Shariah receivables-and-financing denominator of 16.52%, compared with 18.86% in 2024. A separate macroprudential-inclusive-financing measure, RPIM, is reported using a different regulatory definition. These denominators and scopes should remain distinct. Neither indicator alone establishes the portion of financed expenditure that generated productive investment by the firms concerned (PT Bank Syariah Indonesia Tbk., 2026b).

BSI provides a source-version discrepancy rather than a simple isolated infographic inconsistency. The Indonesian-language Sustainability Report 2025, printed p. 194, reports 2025 KUR financing of IDR 12.23 trillion, which is consistent after rounding with the annual-report narrative of approximately IDR 12.2 trillion. The English-language Sustainability Report 2025, printed p. 194, instead reports IDR 25.78 trillion in the KUR row; its printed p. 149 infographic also states IDR 25.78 trillion and 90,218 customers. The two editions are both hosted by BSI and describe the same fiscal year, but their metric bases cannot be determined solely from the public tables (PT Bank Syariah Indonesia Tbk., 2026a, 2026b, 2026c). No borrower impact or intentional misstatement is inferred.

The significance extends beyond one reporting disagreement. If research measures financial inclusion through a loan volume whose coverage cannot be reproduced, cross-bank comparison may overstate precision. A stronger future design would separately collect annual disbursement, year-end outstanding, approval counts, active borrowers, and defined productive-use amounts, with denominators, vintage, and source hierarchy fixed before analysis. For the present study, unresolved indicators are retained as conflicting documentary observations and excluded from any single bank ranking.

Bank Muamalat: formal risk criteria as a governance trace

Bank Muamalat's 2024 Annual Report now supplies two separately verified types of implementation evidence. First, the Credit Risk Management Framework (printed p. 269; PDF page index 270) explicitly reports that provisions on target markets, Financing Allocation Limits (FAL), and Risk Acceptance Criteria (RAC) have been periodically updated and implemented, especially for productive financing segments. Second, audited financial-statement Note 45 (printed p. 791; PDF page index 792) reports the ratification of the 2025 target-market/FAL framework and risk criteria for Enterprise Banking, Islamic Business & SME, and Retail Banking. Both passages have been checked against their visually rendered official PDF pages (PT Bank Muamalat Indonesia Tbk., n.d.-b). They support a bounded finding of reported organizational implementation and a documented formal governance decision, rather than merely an unapproved proposal.

The evidentiary upgrade does not imply that a specified FAL amount was subsequently exhausted, that borrowers faced particular rejection thresholds, or that a change in the SME financing balance was caused by the control. It would require sector-level FAL utilisation reports, dated risk-policy versions, approval and exception records, and enterprise-facing data to evaluate these downstream propositions. Furthermore, the general implementation passage is a management account in an annual report; independent implementation verification is not available. The defensible distinction is reported implementation plus documented ratification, not verified effectiveness or economic impact.

Targeted longitudinal patterns: separating reported volume, share, and strategy

The annual-report evidence for BRI demonstrates why a reported portfolio proportion cannot substitute for a nominal financing balance. BRI's 2023 board-report passage states that MSME lending and financing constituted 84.39% of its reported loan portfolio (about IDR 1,069 trillion); its 2024 financial highlights report an 81.97% share (IDR 1,110.37 trillion), and the 2025 highlights report a 77.5% share with MSME loans and financing of IDR 1,178.98 trillion (PT Bank Rakyat Indonesia (Persero) Tbk., 2024, 2025, 2026). Thus, the proportion moves downward while the reported nominal amount moves upward. The three percentages are presented as bank-stated indicators. The 2025 disclosure contains a non-wholesale portfolio scope note that must be checked against earlier-year definitions before strictly harmonized percentages are claimed. The difference should not be interpreted as weaker access, reduced approval rates, or a shift in borrower productivity.

The Indonesian-language BSI Sustainability Report 2025 (printed p. 194) reports sector totals of IDR 45.469, 52.415 and 52.578 trillion in 2023, 2024 and 2025, consistent with the corresponding historical series in the Indonesian economic-performance overview on printed p. 135. Its compact 2025 MSME financing summary nevertheless reports IDR 52.28 trillion. The English-language edition prints IDR 52.578 trillion for both 2024 and 2025 sector totals, despite the 2024 sector components aggregating to IDR 52.415 trillion, and prints IDR 52.58 trillion in its compact 2025 summary. These language-version discrepancies must be preserved instead of collapsing the two official editions into one apparently definitive series (PT Bank Syariah Indonesia Tbk., 2026a, 2026c). The English edition is separately recorded in the evidence register and is not assumed to overwrite the Indonesian time series.

The Bank Muamalat annual-report statements provide a third within-case series. Its 2023, 2024 and 2025 reports describe MSME financing of IDR 2.29, 1.74 and 1.49 trillion, respectively (PT Bank Muamalat Indonesia Tbk., n.d.-a, n.d.-b, n.d.-c). Across the three reporting years, management consistently identifies selective allocation and a focus on particular business ecosystems, including Hajj and Umrah-related activity, as relevant to its strategy. This repeated organizational explanation is documentary evidence of management's own interpretation, not an identified causal mechanism for the changes in balances. The documentary conjunction of formal risk governance, a stated selective orientation and falling reported financing volumes is therefore an analytically interesting pattern that requires further operational testing.

Table 3. Selected administrative indicators, 2023–2025 (within-bank series only).

Bank / construct	2023	2024	2025	Qualification
BRI | MSME portfolio share (%)	84.39	81.97	77.50	Reported annual share; verify 2025 portfolio basis
BRI | MSME amount (IDR tn)	1,069.00	1,110.37	1,178.98	Reported loan/financing balance, not annual disbursement
BSI | MSME financing (IDR tn)	45.469	52.415	52.578	2025 sustainability report retrospective table; 2023 source variation
BSI | KUR financing (IDR tn)	20.98	25.69	12.23	2025 sustainability p. 194 agrees with annual narrative ~12.2; infographic p. 149 says ~25.8 (unresolved)
Muamalat | MSME finance (IDR tn)	2.29	1.74	1.49	Successive annual-report management statements

Note. Figures follow each institution's own definitions and therefore cannot establish comparative productive-finance performance. BSI figures are retrospective disclosures from the 2025 sustainability report. Sources: BRI annual reports; BSI 2025 sustainability report, p. 194; and Bank Muamalat annual reports, 2023–2025.

Cross-case synthesis and negative cases

Viewed together, the documentary observations show multiple and incompletely observed institutional arrangements. BRI illustrates the reported pairing of digital screening and human verification; Mandiri illustrates how the publicly stated scope of a lending product can vary by programme and page; BSI reveals financing-target and disclosure-definition questions; and Muamalat provides the strongest source-located governance chain in this subset, linking a statement of implemented risk criteria (p. 269) with a reported 2025 FAL/RAC ratification (p. 791). These excerpts do not establish equivalent evidence depth for the four cases, and comparisons must therefore emphasize observed mechanisms and disclosure limitations rather than relative bank-system performance. The new longitudinal checks add an important counterexample to any simple access narrative: BRI's declining MSME portfolio share is reported alongside a rising nominal amount; BSI's single-vintage historical series is internally traceable but not fully consistent with every earlier document; and Muamalat reports a multi-year decline while maintaining a documented selective-financing strategy. These series differ in economic construct and cannot yield a ranking of bank-system effectiveness.

The strongest negative cases arise when an administrative financing category is mistaken for an economic outcome. Mandiri's public KUM category page covers productive and consumptive uses, while the dedicated KUM product page emphasizes working capital and productive investment; neither resolves the allocation of historical KUM balances without borrower-purpose data. BSI's two disclosed KUR amounts require reconciliation of population, accounting basis, and reporting period before they can be compared. Muamalat illustrates a different inference boundary: independently visible reporting of implementation and ratification cannot establish what those controls accomplished. For BRI, a reported lending technology cannot serve as independent evidence of processing speed, credit access or borrower productivity. The discrepancy between BSI's 2025 retrospective 2023 MSME figure (IDR 45.469 trillion) and the earlier annual-report figure logged as IDR 45.558 trillion adds a reporting-vintage negative case distinct from the 2025 KUR difference.

Consequently, the conventional–Islamic comparison remains descriptive and conceptual rather than a test of average system performance. Bank size, ownership, business model, portfolio history, client segment, and disclosure incentives plausibly influence all four cases. Without borrowers or consistent product-level operating data, the study cannot identify the relative effectiveness of either banking system in raising enterprise productivity. What it can identify is a set of data requirements and institutional stages that a credible comparison must distinguish.

Mandiri microcredit reconciliation: an internal-reporting negative case

Mandiri's 2024 Annual Report (printed pp. 362–363) reports KUM, KUR, and KSM balances of IDR 26,881,324, 63,913,776, and 97,230,136 million, respectively. Their sum is IDR 188,025,236 million, but the printed microloan total is IDR 251,939,013 million: a gap of IDR 63,913,777 million (approximately IDR 63.914 trillion). The 2023 components sum exactly to IDR 167,878,406 million. The narrative's 12% annual growth is consistent with the component-based 2024 total, not the higher printed figure (Bank Mandiri, 2025).

The 2025 Annual Report (printed p. 307) gives KUM, KUR, and KSM of IDR 30,812,492, 68,511,187, and 96,165,118 million. Their total is IDR 195,488,797 million versus a printed IDR 195,488,798 million (IDR 1 million difference). Growth computed against the 2024 component sum is 3.97%, as in the table, while adjacent narrative states 4.91%. The KUR increase shown by the tabular figures is IDR 4,597,411 million; adjacent text gives a different rounded increase (Bank Mandiri, 2026). A different 2024 report vintage reports the 2024 KUM component as IDR 26,881,325 million, versus IDR 26,881,324 million in the 2024 report, a one-million difference that does not resolve the much larger 2024 printed-total problem. These contrasts remain unexplained and are not evidence of intent.

Table 4. Bank Mandiri microloan components and published totals, 2023–2025 (IDR trillion).

Year	KUM / KUR / KSM	Component sum	Printed total	Audit reading
2023	20.508 / 62.311 / 85.059	167.878	167.878	Adds to published total
2024	26.881 / 63.914 / 97.230	188.025	251.939	Gap: +63.914; unresolved
2025	30.812 / 68.511 / 96.165	195.489	195.489	Gap: +IDR 1 million

Note. Arithmetic uses issuer-published amounts in IDR million and is displayed here to three decimals in IDR trillion. The 2024 discrepancy is not independently attributed to an editorial error, double-counting, or other cause; the original disputed table page and any erratum require additional verification.

As a negative case for empirical measurement, Mandiri illustrates the difference between what a banking document states and what can be reproduced from its components. The appropriate inference is restricted to internal textual and tabular consistency. A full explanation would require original page-image verification, restatement history or an issuer clarification, followed by reconciliation with audited reporting. Crucially, no amount in this table is labelled an independently verified productive-use balance: KUM purpose varies across public descriptions, and KSM is not equivalent to financing used for working capital or investment.

Three issues determine the permissible strength of the manuscript: (i) the 2025 BSI KUR infographic differs from the mutually consistent annual-report narrative and sustainability-report KUR table, and the same sustainability report contains a separate 2025 MSME summary discrepancy; (ii) the historical, program-level productive versus consumptive use of Mandiri KUM balances is not established; and (iii) the Mandiri 2024/2025 microloan reports have not undergone issuer adjudication or full original-page visual confirmation. These open issues are excluded from estimates of actual productive use and comparative effectiveness between banking systems.

The resulting evidence supports analysis of how financial-access obligations, product architecture and risk-control mechanisms are publicly specified or reported; it does not establish recipient investment, business outcomes, cost efficiency or the incremental impact of regulations. The proposed institutional-alignment framework is consequently an interpretive proposition requiring additional within-case verification, rather than a validated causal model.

Correcting the BSI sector-table reading and isolating actual disclosure differences

BSI's Indonesian-language 2025 sustainability report (printed p. 194) displays MSME sector totals of IDR 45,469 billion for 2023, IDR 52,415 billion for 2024, and IDR 52,578 billion for 2025. Recalculation of the fifteen constituent sectors produces 45,469, 52,415 and 52,579 billion, respectively. Accordingly, there is no supported basis for an earlier allegation that the Indonesian 2024 grand total was incorrect. The remaining 2025 difference of IDR 1 billion could reflect

rounding; its exact source cannot be established from displayed figures. A compact 2025 MSME figure elsewhere on the page is IDR 52.28 trillion, a distinct reporting difference that is retained without assigning cause.

Table 5. Reconciliation of BSI sector totals in the Indonesian sustainability report (IDR billion).

Reporting year	Sum of 15 sectors	Printed sector grand total	Difference (printed − sum)	Summary in report
2023	45,469	45,469	0	45.47 T (compact summary)
2024	52,415	52,415	0	52.42 T (compact summary)
2025	52,579	52,578	−1	52.28 T compact / 52.578 T p.135 overview

The corrected interpretation is consequently narrower and more reliable: no 2024 sector-total anomaly has been established, the 2025 sector breakdown differs from its printed total by only IDR 1 billion, and the remaining actionable disclosure questions involve the 2025 compact MSME summary and the KUR infographic. This correction exemplifies why repeated original-page checking must precede theoretical claims about disclosure quality. It does not establish any change in actual financing or borrower productivity.

Cross-year institutional refocusing as a rival explanation

The three Bank Muamalat annual reports provide a particularly useful negative case for interpreting prudential-inclusion narratives. The 2023 report (PDF p. 56, printed p. 55) documents approximately IDR 2.29 trillion in MSME financing and a selective approach, while framing a broader corporate strategy around retail and consumer services accessed through Hajj/Umrah and institutional ecosystems. The 2024 report (PDF p. 52, printed p. 51) reports approximately IDR 1.74 trillion and discusses selective MSME financing together with retail growth, consumption finance, and SME lending framed in risk-return terms. The 2025 report (PDF p. 60, printed p. 59) reports approximately IDR 1.49 trillion and identifies selective lending and ecosystem targeting. These three reporting-year observations support the existence of a shifting institutional business model but do not isolate the effect of risk governance or Islamic-contract design on the reported MSME balance (PT Bank Muamalat Indonesia Tbk, n.d.-a, n.d.-b, n.d.-c).

The within-case evidence also cautions against interpreting a falling MSME portfolio share as equivalent to a fall in the MSME nominal stock. BRI reported MSME portfolio shares of 84.39%, 81.97%, and 77.50% for 2023, 2024, and 2025, respectively, while its reported absolute MSME

amounts were higher in 2024 and 2025 than in 2023. These observations justify separating portfolio reweighting from reported financing volume, without implying that either series measures actual borrower productivity (PT Bank Rakyat Indonesia (Persero) Tbk, 2024, 2025, 2026).

Across the four banks, the current evidentiary status is asymmetric. Muamalat's three annual-report passages were visually inspected for this stage; the BRI series was checked against official investor-relations disclosures; Bank Mandiri's arithmetic and product classifications remain constrained by the absence of original-page visual adjudication for the contested 2024 and 2025 table passages; and BSI's detailed and infographic KUR series cannot yet be made equivalent. Consequently, an analytical table may compare disclosure practices and documented governance features, but must not turn unaligned amounts into an interbank league table.

Table 6. Targeted cross-case comparison and permissible inference.

Institution	Targeted 2023–2025 evidence	Supported observation	Remaining qualification
BRI	84.39% / 81.97% / 77.50% MSME shares	Relative share declined while nominal amounts should be considered separately	Different denominators; no borrower output data
Bank Mandiri	Separate KUR, KUM and KSM categories; arithmetic inconsistencies	Product labels and reported totals require independent reconciliation	KUM use-of-funds not observed; original image/erratum outstanding
BSI	Detailed 2025 KUR ~IDR12.23 tn; infographic ~IDR25.8 tn	Disclosure concepts/periods must be reconciled	No single standardized KUR amount established
Bank Muamalat	Reported MSME values ~IDR2.29 / 1.74 / 1.49 tn	Selective lending and consumer/retail refocusing are documented	Management attribution not an independently estimated effect

Cross-language versions as an institutional disclosure negative case

A targeted comparison of two publicly hosted language editions of BSI's Sustainability Report 2025 identified non-identical displayed values on printed p. 194. The Indonesian version shows a 2024 sector grand total of IDR 52,415 billion and a 2025 KUR item of IDR 12.23 trillion, while the English edition displays IDR 52,578 billion and IDR 25.78 trillion, respectively. The English-language KUR amount also appears in an infographic on p. 149. The two editions use the same financial year, but it has not been established whether their category definitions, treatment of disbursements versus balances, or revisions are equivalent. These observations concern documentary reporting, not the accuracy of audited underlying accounts.

Table 7. Language-edition comparison for BSI Sustainability Report 2025 (reported values).

Disclosure (printed p. 194)	Indonesian edition	English edition	Interpretive status
2024 sector total (IDR billion)	52,415	52,578	English total differs from sum of components (52,415)
2025 KUR row (IDR trillion)	12.23	25.78	Unreconciled cross-edition difference
2025 MSME compact summary (IDR trillion)	52.28	52.58	Cross-edition difference; Indonesian differs from sector total
2025 sector grand total (IDR billion)	52,578	52,578	Same printed total across editions

Note. This comparison uses the official Indonesian and English editions, printed p. 194; issuer URLs and the original evidence locators are in the supplementary source register. The reporting differences are not independent evidence of financial misstatement.

This negative case reframes measurement validity as a problem of version control as well as construct definition. Researchers who extract one language version and silently substitute a number from the other can create a spurious bank-year series. Consequently, the primary manuscript uses within-edition figures only, retains exact document URLs, printed pages, languages and access dates in its evidence register, and declines to attribute the discrepancy to fraud, intention, or bank-level performance.

BSI 2023–2024: audited segment balances and earlier governance traces

The 2023 annual report of PT Bank Syariah Indonesia Tbk. (2024), in its microbusiness operational discussion (printed p. 162), describes the optimization of government programmes, microproduct revitalization, digitalization of microfinancing administration, enhanced i-Kurma origination-pipeline monitoring, and the introduction of a Micro Financing Control Officer function for post-booking review. These are contemporaneous issuer statements about its financing architecture and internal oversight, not independent verification that applicants obtained faster approval or improved enterprise productivity.

The audited financial statements incorporated in the 2024 annual report (PT Bank Syariah Indonesia Tbk., 2025), Note 47, printed financial-note pp. 132–133, present disaggregated SME and Micro balances for 2023 and 2024. In 2023 the disclosed SME and Micro balances were IDR 19.346 and 22.912 trillion; the corresponding 2024 values were IDR 21.635 and 27.746 trillion. The combined two-segment balance increased from IDR 42.258 to 49.381 trillion (16.86%). These administrative categories are not interchangeable with KUR disbursement, financing-inclusion ratios or productive-use observations. Their combined 2024 amount happens to match the annual report's summarized retail-segment amount for SME and Micro, but not the broader consumer category.

Table 8. Audited BSI operating-segment balances for SME and Micro, 2023–2024.

Indicator	2023 (IDR tn)	2024 (IDR tn)	Change (%)
SME	19.345720	21.634863	+11.83
Micro	22.912195	27.745691	+21.10
SME + Micro	42.257915	49.380554	+16.86

Note. Values transcribed from audited financial statements for 2024 and 2023, Note 47 (financial-note pp. 132–133), in millions of rupiah and divided by 1,000,000. Percent changes are researcher calculations from unrounded source values. The combined balance does not independently establish productive fund use. Source: PT Bank Syariah Indonesia Tbk. (2025).

A prospective-strategy subsection of the 2024 annual report (printed p. 245) also identifies prudent KUR-oriented microfinancing and selected ecosystem penetration as priorities for the following year (PT Bank Syariah Indonesia Tbk., 2025). That statement is coded as a stated 2025 plan, not evidence that the plan was implemented or determined 2025 financing results. Taken together, the sources corroborate the availability of differentiated product and governance channels in the Islamic-bank case, but they cannot establish a causal translation from those arrangements to enterprise-level productive investment.

DISCUSSION

From financial-access mandates to institutional translation

The examined material suggests that the relationship between financial-inclusion policy and productive MSME finance is mediated by institutional arrangements rather than established by regulatory ambition alone. OJK Regulation No. 19/2025 explicitly combines easier access, financing schemes adapted to business cycles, prudent risk management, and accountability requirements (Otoritas Jasa Keuangan [OJK], 2025). Under Williamson's (2000) new institutional economics, this distinction separates the formal institutional environment from governance arrangements through which actors operationalize those rules. Berger and Udell's (2006) SME finance framework similarly places lending technologies between policy and financial access. In this study, these perspectives help interpret publicly documented rules and procedures but do not validate a policy-to-performance causal chain. Most bank practices examined were documented before the November 2025 effective date of the regulation; they must therefore be interpreted as pre-existing arrangements or institutional context, not as effects of that measure.

Lending technology is simultaneously a screening mechanism

BRI's 2024 disclosure of the KECE 3.0 microcredit process describes conditional system-based decisions alongside verification by bank officers (PT Bank Rakyat Indonesia (Persero) Tbk., 2024). This juxtaposition is analytically important: digital processing does not necessarily remove

discretionary or relational judgments. Instead, automation and human oversight may coexist within the lending technology through which eligibility, verification and risk responsibilities are organized. This interpretation is consistent with Berger and Udell's (2006) understanding of technologies as combinations of information, screening, underwriting and monitoring practices. It is also compatible with evidence that Indonesian conventional and Islamic bank managers use soft information when assessing small firms (Wijaya et al., 2026). Nonetheless, the BRI report establishes only the bank's account of the process. Without time-to-approval data, rejection rates, or borrower testimony, it would be inappropriate to infer faster credit provision, greater inclusion, or improved borrower performance.

Financing architecture and the classification problem

An additional insight lies in the distinction between a financing product's declared purpose and the ultimate economic use of funds. Bank Mandiri's general microbusiness material characterizes KUM in terms that can include both productive and consumptive purposes, while its dedicated KUM information page emphasizes productive working capital and investment (PT Bank Mandiri [Mandiri], n.d.-a, n.d.-b). These are two official public descriptions, but the visible pages are not equivalent to a dated, customer-level 2023–2025 use-of-proceeds register. Therefore, it would be incorrect to classify all historical KUM balances as verified productive finance. The broader theoretical implication is a construct-validity problem: product labels can function as administrative categories while analysts are interested in financing alignment with productive activity. That distinction must be operationalized explicitly before comparison across banks or time.

Disclosure differences and the epistemic limits of portfolio metrics

The targeted 2023–2025 comparisons sharpen this point. At BRI, a lower reported percentage can coexist with a higher absolute exposure, while BSI's retrospectively presented 2023–2025 series and earlier-year annual report are not entirely interchangeable. These differences are not evidence that reporting is inaccurate or that one system allocates finance more efficiently. They instead reveal that longitudinal comparisons require a disclosure-version variable and an explicit measurement dictionary. The Muamalat sequence, meanwhile, provides documentary continuity in the bank's stated selective strategy but does not make the stated strategy an identified cause of the funding change. Accordingly, the strongest theoretical refinement at this stage concerns the relationship between measurement architecture and the observability of institutional translation, not the estimation of productive-finance effects.

The BSI annual-report narrative of approximately IDR 12.2 trillion in 2025 KUR financing and the Indonesian-language sustainability-report row of IDR 12.23 trillion (printed p. 194) are consistent after rounding. However, the English-language edition reports IDR 25.78 trillion in its comparable p. 194 row and in its p. 149 infographic. The empirical issue is therefore not merely an infographic outlier: it is a cross-language version divergence. No interpretation that the two versions necessarily use the same accounting basis is asserted without issuer clarification (PT Bank Syariah Indonesia Tbk., 2026a, 2026b, 2026c).

Mandiri's source-arithmetic negative case adds a reproducibility layer to this measurement argument. One annual-report table is internally inconsistent by IDR 63.914 trillion at the grand-total level, while the subsequent report combines a component-supported 3.97% growth rate with 4.91% in adjacent prose. The evidence permits a qualified source-quality finding, but not an inference about the institution's motivation, aggregate financial misstatement, or realised SME investment. For qualitative institutional analysis, preserving the competing published quantities, recording computation rules, and reporting unresolved discrepancies are part of the construct-validity procedure rather than an optional post-hoc check (Bank Mandiri, 2025, 2026).

Source-version identity is integral to the measurement-quality assessment. The Indonesian-language edition of the BSI 2025 sustainability report has a 2024 sector grand total of IDR 52,415 billion matching its fifteen sector components; the previous claim that this Indonesian total was erroneous was withdrawn in The earlier. The English-language edition, however, prints IDR 52,578 billion for the same 2024 total, while its 2024 components sum to IDR 52,415 billion. The 2025 Indonesian compact MSME figure (IDR 52.28 trillion) also differs from the printed sector total (IDR 52.578 trillion), whereas the English compact value is IDR 52.58 trillion. These are identifiable discrepancies in published versions, not established deficiencies in audited lending transactions.

Prudential allocation as documented governance—not established impact

Bank Muamalat's 2024 annual report describes annual review of target markets, sector-level financing-allocation limits, and risk-acceptance criteria. Its risk disclosures refer to ratification of a 2025 allocation and criteria framework encompassing enterprise, Islamic business and SME, and retail segments (PT Bank Muamalat Indonesia Tbk., n.d.-b). The juxtaposition of committee agenda entries and subsequent risk-management wording provides a more differentiated governance record than a strategy statement alone: a proposed framework and a reported ratification are distinct documentary stages. However, the public material does not establish the signed approval date, numerical limits imposed, exceptions granted, or their subsequent effect on financing volumes. Within Williamson's (2000) account, these disclosures are consistent with governance structures intended to manage contractual and prudential concerns. Whether those structures restrict or facilitate productive financing remains a question rather than an empirically resolved consequence.

Conventional–Islamic convergence and differentiated institutional logics

The four banks display different disclosed procedures, market segments, products and risk routines, but those differences should not be interpreted as a simple conventional-versus-Islamic dichotomy. Wijaya et al. (2026) found substantial similarities in trust-building processes at Indonesian conventional and Islamic banks. At the organizational level, Madani et al. (2025) emphasize the hybrid institutional character of Islamic banks, which respond simultaneously to Shariah-related and conventional banking logics. The present comparison can therefore treat Shariah oversight and contract structures as additional institutional features without assuming that they generate superior or inferior MSME outcomes. Ownership, institutional mission, branch footprint, scale, product mix and customer composition represent competing explanatory conditions

that are not controlled in the documentary sample. No causal ranking of bank systems follows from the available evidence.

Distinguishing the present study from earlier qualitative research

Previous qualitative studies in Indonesia have examined asymmetric information and risk-assessment procedures in Islamic-bank MSME finance (Saifurrahman & Kassim, 2023), as well as regulatory barriers to inclusion (Saifurrahman & Kassim, 2024). More recent work has investigated interpersonal trust across the two bank systems (Wijaya et al., 2026), while research in Pakistan places SME agency and informal strategies at the center of Islamic-finance access (Ishaq et al., 2026). Accordingly, this study does not claim to discover regulatory frictions, hybridity or the access–outcome disconnect for the first time. Its narrower proposed contribution is to assemble a documentary account of policy–governance translation, product-purpose classification and risk-allocation disclosure across two banking systems. This contribution remains conditional on full-corpus sampling, adjudication of contradictory disclosures and systematic comparison with the wider Scopus/Web of Science literature.

Additional literature moves the novelty boundary closer to the present inquiry: trust and Islamic small-business financing costs (Wijaya & Moro, 2022), financing–religiosity patterns across the dual banking structure (Wijaya et al., 2023), comparative MSME financing efficiency (Harisandi et al., 2023), and a systematic review of productive Islamic-bank financing (Trimulato et al., 2025). Their designs differ from a longitudinal four-bank documentary analysis, but difference of data source alone is not theoretical originality. The argument must demonstrate precisely what the joint analysis of dated regulatory rules, bank-level process disclosures, and measurement incompatibilities explains that these studies do not. The present public-web search is targeted and non-exhaustive; database-based novelty screening remains a mandatory quality gate.

Toward a bounded institutional-alignment framework

The emerging analytical framework comprises three interrelated dimensions: governance translation, financing architecture, and prudential allocation. Governance translation concerns how institutional responsibilities and risk-accountability procedures are specified; financing architecture concerns eligibility, purpose and processing; and prudential allocation concerns the portfolio and sectoral constraints through which exposure is managed. These dimensions offer an organizing vocabulary rather than a newly validated universal theory. Documentary evidence can establish the presence of a rule or reported process and, where contemporaneous records exist, the sequence of certain organizational decisions. It cannot on its own identify borrower welfare, counterfactual access, or the causal magnitude of each mechanism. In that sense, the proposed framework is most defensible as a middle-range interpretive account of documented institutional alignment, subject to later testing using operational and borrower-level data.

Policy implications: from access targets to traceable productive-use information

The immediate policy implication is a need for more consistent reporting of approvals, disbursements, outstanding balances, borrower numbers, loan purposes, and eligibility. Comparing administrative product categories with borrower-level investment without reconciliation can misstate the economic significance of financial-access policies. These proposals are derived from documentary limitations, not from causal estimates of borrower outcomes.

Limitations and future identification strategy

This stage relies on targeted documentary excerpts rather than exhaustive coding of the twelve annual reports planned for 2023–2025. Bank disclosures remain institutional accounts, not independent tests of operating quality. The BSI KUR totals remain unreconciled, and the historical productive use of Mandiri KUM balances remains unknown. A targeted integrity check has now been completed for Bank Muamalat's official PDF: the implementation statement (printed p. 269) and ratification statement (printed p. 791) were checked visually. This clears the page-integrity issue but not the absence of operational utilisation or impact data. There is no independent second coder, and a database-exported Scopus/Web of Science novelty screen has not yet been performed. These limits must accompany any use of the tentative analytical framework.

Rival explanation: strategic refocusing rather than banking-system essentialism

The Muamalat sequence is consequential for interpretation because the bank explicitly discusses retail and consumer-business refocusing alongside selective MSME lending. Such an account is compatible with institutional adaptation and risk governance but also with a broader change in customer mix and income strategy. It is not sufficient evidence to infer that Sharia governance, greater screening intensity, or the 2025 policy framework independently produced the decline in MSME balances. In parallel, BRI's falling MSME portfolio share despite higher reported nominal amounts demonstrates that portfolio-share metrics are sensitive to growth outside the target segment. These competing explanations must remain in the analytical model (Berger & Udell, 2006; Williamson, 2000).

The defensible theoretical implication is therefore narrower than a causal institutional mechanism claim. The documentation supports the proposition that product boundaries, regulatory disclosure conventions, and bank business models shape what analysts can identify as productive financing. Whether these factors change financing approval, actual enterprise investment, or productivity requires borrower-level information, dated decision records, and a design capable of separating policy exposure from macroeconomic and bank-specific trends.

Recent banking-allocation studies and the boundary of originality

Two recent studies substantially narrow any novelty claim based merely on bank governance or credit allocation. Riyanti et al. (2026) examine ownership, governance changes and small-business lending in Indonesia using a two-stage quantitative framework; they report no statistically significant

differences in small-business-loan shares across their ownership categories in the full sample. Setiastuti et al. (2026) argue that Indonesia's banking constraint is better understood through credit allocation, borrower information and the transition from subsidized to commercial finance than through aggregate banking capacity alone. Therefore, this manuscript must not present the access-to-productive-finance disconnect or ownership-sensitive lending as an unrecognized theoretical phenomenon. Its more defensible incremental contribution is methodological and institutional: a dated, cross-language, cross-product claim-adjudication framework showing how policy rules, bank disclosures and reported product purposes constrain what can legitimately be inferred from public evidence. Whether that contribution is sufficiently novel for a selective journal requires a replicable Scopus/Web of Science search and fuller empirical extraction.

An editorial implication follows: the distinctive finding should be framed as limits of observable institutional alignment rather than a new causal model of productive financing. Bank size, state mandate and product mix remain alternative explanations. The appearance of mismatched numbers in public reports is documented, but neither the accuracy of the banks' underlying accounting records nor borrower-level productivity can be resolved here.

Earlier BSI segment evidence and the limits of productive-finance classification

The additional 2023–2024 BSI documentary evidence both strengthens and constrains the institutional-alignment interpretation. It provides a dated organizational account of digital origination, monitoring and post-booking review in 2023 and independent financial-statement disclosure that distinguishes SME, Micro and Consumer categories in 2024. This is a stronger basis for discussing financing architecture than a generic bank-versus-bank comparison, yet it simultaneously reveals the conceptual distance between a segment label and verified productive use. Even a within-bank 16.86% rise in the combined SME and Micro balance cannot identify the number of newly included borrowers, investment expenditure, or improvements in enterprise productivity. The reported targeting of KUR and particular ecosystems for 2025 is forward-looking and should not be retrospectively treated as realized policy effects.

This refinement also affects how far the study can claim empirical completeness. All twelve bank-year reports now have at least targeted documentary checks, but none has been exhaustively coded across every relevant reporting section or independently re-coded. The added BSI pages close a specific source-coverage gap; unresolved cross-edition figures for BSI 2025 and usage information for Mandiri KUM remain separate threats to construct validity. The bounded contribution therefore concerns visible reporting categories and organizational arrangements, not demonstrated superiority of either banking system.

CONCLUSION

This targeted qualitative documentary comparison examines how productive MSME financing is made institutionally meaningful beyond headline indicators of financial access. Public documents from four Indonesian banks support the identification of governance, product-design and prudential-allocation arrangements and expose conditions under which administrative figures

cannot be straightforwardly compared. The analysis does not establish an advantage of either banking system or a causal effect on enterprise productivity.

The contribution is therefore purposefully bounded: public documents can reveal how responsibilities, financing products, risk policies, and administrative quantities are specified and publicly reported, and can expose circumstances in which indicators fail basic comparability tests. Such documents do not independently establish whether firms used funds productively or improved performance, nor do they support a conventional–Islamic effectiveness ranking or causal attribution to Regulation No. 19/2025. As a criterion-selected documentary analysis, the study remains vulnerable to incomplete passage coverage and unresolved disclosure definitions; future research should examine the remaining report sections, obtain issuer clarifications and borrower-purpose evidence, and independently challenge the coding decisions.

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