

## IMPLEMENTATION OF SHARIA MICRO-FINANCING IN BANK SYARIAH INDONESIA SURABAYA



**Rizki Alamsyah<sup>1</sup>**

**Universitas Hayam Wuruk Perbanas, Surabaya, Indonesia**

[Rizki.Alamsyah09@gmail.com](mailto:Rizki.Alamsyah09@gmail.com)

**Ika Yunia Fauzia<sup>2</sup>**

**Universitas Hayam Wuruk Perbanas, Surabaya, Indonesia**

[ika.yunia@perbanas.ac.id](mailto:ika.yunia@perbanas.ac.id)

**Teguh Imami<sup>3</sup>**

**Universitas Muhammadiyah Surabaya, Surabaya, Indonesia**

[teguhimami99@gmail.com](mailto:teguhimami99@gmail.com)

---

### Abstract

Sharia microfinancing is considered a strategic instrument in supporting inclusive finance and the growth of MSMEs (Micro, Small, and Medium Enterprises) as the backbone of the national economy. However, this instrument remains limited by financing access, the sharia financial literacy, and technology utilization; thus, a sustainable and effective financing ecosystem model should be developed. This study aims to describe the sharia microfinancing ecosystem model and the distribution practices of microfinancing on MSMEs of Bank Syariah Indonesia (BSI) Surabaya HR Muhammad 1 Branch by utilizing a qualitative approach and case study methods. The result demonstrates that sharia micro financing in BSI involves diverse actors, including the bank, MSME clients, regulatory bodies, and business communities; by implementing sharia principles, for instance, transactions without riba (usury), maisir (speculation), or gharar (uncertainty), as well as using murabaha (cost-plus financing) and musharakah (sharing and partnership financing) agreement. Some products offered are Sharia KUR (People's Business Credit) and Micro Business BSI - non KUR (non-PBC), with a credit ceiling up to IDR 500 millions. They are also supported by digital innovation, such as the I-Kurma application and the BSI Agent program. The financing scheme implementation positively affects MSMEs' growth, as observed through increasing sales volume and business expansion. However, some challenges remain present, such as a low level of literacy within the society regarding Sharia financing products and administrative problems in the digitalization process. Therefore, this research recommends BSI to advance its sharia financial education program, optimize its digital system, and strengthen risk management to improve the efficiency of sustainable sharia micro financing.

**Keywords:** Sharia Micro Financing, Ecosystem, BSI, MSMEs, Economic Growth

## INTRODUCTION

Sharia economic development in Indonesia conveys positive dynamic, particularly in sharia finance sector. One of the most significant instruments in pushing forward the inclusive sharia finance is sharia micro financing for the Micro, Small, and Medium Enterprises (MSMEs). MSMEs is the backbone of the Indonesia's economic strength. The data from ASEAN *Investment Report 2022* denoted that there were around 65 million MSMEs in Indonesia, which contributed 60% of its sales to the nation's Gross Domestic Product (GDP) and employed around 97% of the total workforce. Thus, the significant contribution of MSMEs asserts them to be the backbone of Indonesia's national economy, particularly in creating job vacancies and equal distribution of community welfare (ASEAN, 2022). However, many MSMEs in Indonesia remain facing complex challenges in the financing aspect. The other three main constraints are exclusive access to financing companies, lack of collateral, and high-risk assumption by the bank. Besides, a low level of digital literacy and technology utilization are also limiting factors in enhancing efficiency and competitive rate in the digital era (Simangunsong, 2022)

The existence of Sharia banks is considerably strategic to increase economic development in the society, and it has to be continually cultivated and fostered by all *stakeholders*. Hence, it would be the most appropriate tool to solve the problems of MSMEs in financing their business (Masruron & Safitri, 2021). On the other hand, optimizing the service products and services in Islamic banking that are on a par with conventional banking might foster empowerment of the community economy. The development of medium, small and micro businesses through additional capital and business diversification will have an impact on expanding employment opportunities, increasing community income, and directly supporting government efforts to reduce unemployment and poverty rates.

Financial institutions, especially Islamic banks, have a strategic role in addressing obstacles to accessing financing for MSMEs. Through the principles of justice and balance, Islamic banks offer a different financing model from the conventional system. One of its real contributions is sharia micro financing, which provides comfortable access to capital for MSMEs without the burden of high interest rates. In general, sharia micro financing is a form of financing aimed at MSMEs who do not have access to formal financial institutions, with more flexible terms, based on profit sharing, and under Islamic principles (NURBAITI & Muhammad Iqbal Fasa, 2021). It provides financial support and also seeks to empower MSMEs so that they can develop independently and continually (Muheramtohad, 2017).

Bank Syariah Indonesia (BSI) is one of the largest sharia banks in Indonesia which was officially established on February 1, 2021 as a result of the merger of three banks owned by Himbara (State-Owned Banks Association), Bank Syariah Mandiri, BNI Syariah, and BRI Syariah, which was inaugurated directly by the President of the Republic of Indonesia Ir. Joko Widodo in the State Palace, Jakarta (Rahmatullah, 2022). BSI has a mission to become a modern and competitive sharia bank with a focus on financial inclusion, especially in supporting the empowerment of the people's economy through micro and MSME financing. As the main facilitator, BSI plays an important role in increasing access to sharia financing for the MSME sector, which is the backbone of the national economy, but remains facing difficulties in accessing formal financing.

Based on BSI's 2024 performance report, BSI succeeded in maintaining financing quality with a *Gross NPF* of 1.90%, resulting in a net profit of IDR 7 trillion. In the same

year, BSI recorded the realization of the absorption of Sharia KUR by MSMEs, reaching IDR 15.42 trillion or around 97% of the target designated by the government. More than 131,000 business actors, dominated by the trade, agriculture, and services sectors, have succeeded in obtaining capital access. Through the micro-financing scheme, BSI provides capital and business assistance as well as financial education to increase the capacity and competitiveness of MSMEs sustainably. By using flexible and fair sharia contracts such as murabahah, mudharabah, and musyarakah, BSI helps business actors run their businesses without the burden of high interest rates and encourages active contributions to the development of the people's economy (Adekantari & Rukmana, 2024).

Several previous studies have examined various aspects of Islamic micro financing in the development of MSMEs and demonstrated the importance of strengthening the role of Islamic financial institutions in supporting micro financing for MSMEs. Sudrajat, et al. (2023) found that sharia microfinancing provided to MSMEs had a positive impact on business development. Suri and Berliana (2023) in their research also conveyed that sharia microfinancing provides active support in business development, and increases MSMEs' understanding of sharia principles and sustainable business values. Research by Zahara, et al. (2024) strengthens the importance of the role of Islamic banking as a strategic partner in developing micro-enterprises. In addition, Adekantari and Rukmana (2024) unveiled that the contribution of Islamic Banks in providing affordable financing and innovative financial solutions for MSMEs is an alternate resource in overcoming financing problems. Meanwhile, Sari (2023) in his research emphasized the role of technology in supporting sharia financing through *financial technology*. Through a technological approach, financing becomes more efficient and adaptive to the needs of MSMEs, and reaches areas with minimal access to conventional finance.

BSI Surabaya HR Muhammad 1, as one of the branches of Bank Syariah Indonesia in the Surabaya City area, plays an important role in empowering MSMEs through micro-financing based on a personal and local approach. Excellence in understanding the characteristics and specific needs of the local business community allows for adjustments to financing schemes to local market conditions. However, the challenges remain, including gaps in micro financing as in limited accessibility for MSMEs, low financial literacy, and knowledge of sharia products (Latifah, n.d.). Another challenge is the administrative and bureaucratic obstacles that sometimes complicate the financing application process.

These various challenges demonstrate that the success of Islamic micro financing is not only determined by the availability of financial products that comply with Islamic principles, but also requires the development of a comprehensive supporting ecosystem. Until recently, specific studies discussing the sharia micro-financing ecosystem model are limited. Previous studies have focused more on financial aspects or the impact of partial financing. This study would further examine and comprehensively map the sharia micro-financing ecosystem model implemented by BSI Surabaya HR Muhammad 1 branch, including an analysis of the strategic role of each ecosystem element such as: MSME customers, bank employees or financing officers, regulators, business communities, and the technology.

The novelty of this study lies in the sharia micro-financing ecosystem model at BSI Surabaya HR Muhammad 1 branch, and the analytical approach that links sharia micro-financing practices with their contribution to economic growth. As explained in the

Neoclassical economic growth theory, the factors that influence economic growth include population growth, entrepreneurship, and investment (Alam, 2014). Harrod and Domar (Alam, 2014), stated that investment or capital formation has a crucial role in achieving *steady growth*. The greater the amount of capital available, the higher the level of production of goods and services in an economy. Concerning economic growth, financing is a primary instrument in encouraging investment and business development, specifically for micro, small, and medium enterprises (MSMEs).

Based on this background, the researcher discusses the sharia micro-financing ecosystem model and the practice of distributing it to MSMEs of Bank Syariah Indonesia (BSI) Surabaya HR Muhammad 1 Branch. This research is expected to provide useful input for related parties in designing and improving its effectiveness and contribute to the development of policies in sustainable sharia micro-financing, particularly the BSI HR Muhammad 1 Branch.

## REVIEW OF LITERATURE

Sharia-compliant micro-financing has emerged as a distinct strand of financial inclusion policy in Muslim-majority countries, combining classical Islamic contract forms with contemporary microfinance delivery mechanisms aimed at strengthening micro-enterprises and alleviating poverty. In Indonesia, the development of Islamic microfinance has been heterogeneous: traditional Baitul Maal wat Tamwil (BMT) institutions, Islamic rural banks (BPRS), and the rapidly expanding commercial Islamic bank sector (now anchored by Bank Syariah Indonesia, BSI) each play complementary roles. A systematic review of scholarship and institutional reports identifies four interrelated themes that are critical to understanding the implementation of sharia micro-financing at a large Islamic bank branch such as BSI Surabaya: (1) institutional models and product design, (2) operational delivery and digitization, (3) socio-economic impacts on micro-entrepreneurs, and (4) contractual, governance, and practical challenges in implementation.

### Institutional Models And Product Design

The literature differentiates two broad institutional archetypes for Islamic microfinance: community-rooted BMTs and regulated banking channels (BPRS and commercial Islamic banks). BMTs have historically combined zakat/charitable redistributive functions with small-scale financing and close client relationships; academic case studies show they are effective in contexts where social capital and localized trust underpin client screening and group dynamics. Conversely, commercial Islamic banks—by virtue of scale, regulation, and access to formal payment systems—are better positioned to offer standardized products and to integrate with national programs such as Kredit Usaha Rakyat (KUR) in a sharia-compliant manner. Studies of Indonesian BMTs show their comparative strengths in outreach and social empowerment, while reviews of Islamic banking literature argue that scaling microfinance through regulated banks improves sustainability and systemic reach but requires careful contract design to remain truly “micro” and sharia-compliant. (Matnin et al., 2021)

Bank Syariah Indonesia (BSI), formed through consolidation and now offering specific micro products under labels such as BSI Usaha Mikro, BSI KUR Mikro, and digital portals like Salam Digital and Ikurma, illustrates how a mainstream Islamic bank packages microfinance products with operational standardization, state-program integration, and

digital channels for onboarding and credit approval. Institutional-product studies emphasize that such packaged products blend conventional program features (e.g., KUR government-subsidized credit) with Islamic contract forms—murabaha, ijarah, and qard hasan variants—to ensure religio-legal acceptability while meeting policy goals. Evidence from BSI product descriptions and annual reporting indicates explicit efforts to streamline product access and align margin structures for micro clients.(Kunaifi et al., 2023)

### **Operational Delivery And Digital Transformation**

Operational delivery has become a core determinant of success for sharia micro-financing. Traditional microfinance methodologies—group lending, intensive field staff, and social collateral—are being complemented or replaced by digital onboarding, biometric identification, and algorithmic credit scoring. In Indonesia, several recent institutional reports and product pages show that BSI leverages digital platforms (e.g., Salam Digital, Ikurma) to shorten approval lead times and reduce transaction costs, which is crucial for micro-clients who value speed and lower administration.(Abdillah, 2024) The acceleration of digital processes can widen outreach and reduce unit costs but also introduces new risks: data privacy, exclusion of digitally illiterate clients, and the need to reconcile automated scoring with Sharia principles of fairness and transparency. Comparative reviews of Islamic microfinance literature stress that digitalization must be accompanied by product framing that preserves the moral economy—clear disclosure of margin/murabaha markups and sharia governance oversight—to maintain client trust.(Kunaifi & Syam, 2021)

### **Socio-Economic Impacts: Inclusion, Poverty Reduction, And Empowerment**

Empirical research on Islamic microfinance reports mixed but generally positive results on income generation, enterprise growth, and non-financial outcomes such as women's empowerment and educational investments.(Hiew et al., 2025) Meta-reviews and country studies indicate that Islamic microfinance contributes meaningfully to beneficiary income increases and improves certain human-development indicators, often matching or exceeding conventional microfinance in client satisfaction due to religious congruence. Indonesia-specific studies—covering BMTs, BPRS, and Islamic bank micro-programs—find improvements in microenterprises' capital access and revenue but also point to variability according to product type, client education, and the adequacy of support services (financial literacy, business development services). Thus, while scaling microfinance through a large Islamic bank like BSI may expand numerical outreach, the quality of socio-economic impact depends on complementary measures: tailored training, flexible repayment instruments, and ongoing monitoring of outcome trajectories.(Kunaifi et al., 2021)

### **Contractual Choices, Governance, And Implementation Challenges**

A recurring theme in the literature is the tension between desirable sharia contracts in theory and their practical adoption in retail microfinance. Murabaha (cost-plus sale) and ijarah (leasing) are among the most commonly implemented contracts in Indonesian Islamic microfinance. However, several studies highlight problems in murabaha implementation—such as overuse of trade-style documentation, opaque cost disclosure, and administrative complexity—that can undermine the intended risk-sharing spirit of Islamic finance and create governance vulnerabilities.(Kunaifi et al., 2022) Research also flags operational challenges, including asymmetric information, credit monitoring costs, insufficient risk-sharing mechanisms for very small borrowers, and the regulatory constraints that push banks toward contracts that resemble conventional lending in economic substance. These findings imply

that implementing sharia micro-financing at BSI Surabaya must reconcile regulatory compliance, product simplicity, and genuine sharia ethics to avoid tokenistic labeling of conventional credit. (Kunaifi & Zhilalil Haq, 2025)

Beyond contractual form, governance arrangements—particularly the role of sharia supervisory boards (DPS), internal sharia compliance units, and external auditors—determine whether a bank’s micro products are consistently sharia-compliant in both letter and spirit. Scholars argue that stronger sharia governance correlates with higher client trust and long-term client retention, which in turn enhances social impact. Implementation studies also note the importance of frontline staff training in sharia semantics (how to explain murabaha vs qard hasan) and of institutional incentives that avoid pressuring staff to push marginally profitable microloans that violate prudential limits.(Adinugraha et al., 2023)

**Integration With Public Programs And Policy Implications**

Indonesia’s national programs, notably the KUR (People’s Business Credit) scheme, have been adapted to sharia frameworks in recent years. Studies of sharia KUR and related public–bank partnerships suggest that alignment with government subsidies and guarantee mechanisms can dramatically increase microfinance volumes. However, those same studies caution that excessive standardization can erode product adaptability and undermine outreach to informal micro-enterprises lacking traditional collateral. Empirical evidence from BSI branches implementing sharia KUR points to enhanced outreach and competitive pricing, but also reiterates the need for robust client assessment and after-loan support to secure real development outcomes.(Dwi Retna Sulistyawati et al., 2024)

**Research Gaps And Implications For The Current Study**

Despite a growing corpus on Indonesian Islamic microfinance, several gaps remain directly relevant to a case study of BSI Surabaya. First, branch-level analyses that combine product analytics, digital-platform usage data, and beneficiary outcome measurement are scarce; most studies are either macro (national) or confined to BMTs. Second, longitudinal evidence that tracks micro-borrowers over multiple loan cycles—especially in bank-provided sharia microcredit—is limited, hindering robust causal inference about sustained poverty reduction. Third, analyses of how sharia governance mechanisms interact with digital credit scoring and automated decisioning are nascent. Finally, few studies center on large consolidated Islamic banks (post-merger BSI) operating in urban hubs like Surabaya, where client heterogeneity and competitive dynamics differ from rural BMT settings. These gaps justify a focused empirical inquiry into implementation processes, client experiences, and compliance practices at BSI Surabaya to inform both theory and policy.

**Table 1.**  
**Comparative Table of Previous Studies on Sharia Micro-Financing**

No.	Author(s) / Source	Institution / Case	Focus of Study	Key Findings	Implementation Challenges / Research Gap
1	Huda & Heykal (2019) – <i>Islamic Microfinance Development in Indonesia</i>	BMT (Baitul Maal wat Tamwil)	Examines the role of community-based Islamic microfinance in	BMTs effectively use social capital and group-based trust mechanisms;	Limited scalability and weak formal governance compared to regulated banks.

No.	Author(s) / Source	Institution / Case	Focus of Study	Key Findings	Implementation Challenges / Research Gap
2	Ascarya (2020) – <i>Islamic Microfinance Models in Indonesia</i>	Comparative study (BMT, BPRS, Islamic Banks)	poverty alleviation.  Identifies different institutional models and contract mechanisms in Islamic microfinance.	small-scale but high social impact.  Islamic banks offer wider reach and sustainability, while BMTs excel in social inclusion.	Lack of integrated framework between social and commercial objectives.
3	Bank Syariah Indonesia (2023) – <i>Annual Report &amp; Product Description</i>	BSI Usaha Mikro / BSI KUR Mikro	Describes the operational framework, product structure, and target market of micro products.	Implementation through <i>murabaha</i> , <i>ijarah</i> , and <i>qard hasan</i> contracts; integrated with government KUR programs.	Minimal empirical analysis on client satisfaction and socio-economic outcomes.
4	Ulil Hartono et al. (2022) – <i>Sharia Banking Innovation and Digitalization</i>	BSI Digital Platform (Salam Digital, Ikurma)	Investigates digital transformation in Islamic banking operations.	Digital onboarding and credit scoring improve efficiency and outreach.	Risk of excluding digitally illiterate clients; need for stronger Sharia compliance in digital systems.
5	Obaidullah & Khan (2019) – <i>Islamic Microfinance for Poverty Alleviation</i>	Global comparative analysis	Reviews Islamic microfinance mechanisms in several Muslim-majority countries.	Sharia microfinance improves income generation and financial inclusion.	Lack of standardized impact measurement tools across countries.
6	Nurfadilah & Kamil (2021) – <i>Effectiveness of Islamic Microfinance for MSMEs</i>	BPRS and small Islamic banks	Analyzes how Islamic financing affects MSME growth and performance.	Micro-financing helps expand MSME capital and turnover.	Inconsistent monitoring and absence of post-financing mentoring.
7	Rahmawati & Yusuf (2022) – <i>Murabaha</i>	BPRS and BMT in Java	Explores the practical use of <i>murabaha</i>	<i>Murabaha</i> widely used due to simplicity and	Administrative burden and potential deviation

No.	Author(s) / Source	Institution / Case	Focus of Study	Key Findings	Implementation Challenges / Research Gap
	<i>Implementation in Islamic Microfinance</i>		contract in small-scale financing.	low risk; preferred by clients.	from true trade-based model.
8	Kambali et al. (2024) – <i>Governance and Sharia Compliance in Islamic Banking</i>	FORSES network (East Java)	Evaluates sharia governance practices among Islamic banking institutions.	An effective Sharia Supervisory Board (DPS) enhances client trust and compliance.	Limited capacity-building for staff in explaining Sharia contracts properly.
9	Hasan & Ashraf (2020) – <i>Measuring the Social Impact of Islamic Microfinance</i>	Pakistan & Indonesia comparative	Empirical measurement of income, education, and empowerment outcomes.	Positive link between Islamic microfinance and socio-economic improvement.	Data collection is often limited to short-term effects, not long-term sustainability.
10	Current Study – Rizki Alamsyah, et.al (2025)	Bank Syariah Indonesia Surabaya	Implementation analysis of Sharia micro-financing at institutional and operational levels.	To identify practical mechanisms, client impact, and governance quality in micro-financing operations.	Filling the empirical gap on large-scale Islamic bank (post-merger BSI) implementation in the urban context (Surabaya).

Source: Huda and Heykal (2019), Ascarya (2020), and others, processed.

The accumulated literature, as shown in Table 1 suggests that implementing sharia micro-financing at a major Islamic bank branch involves an interplay between product design, delivery mode (digital vs. field-based), sharia governance, and public-program integration. While institutional consolidation and digital platforms (as seen with BSI) provide scale and operational efficiency, academic evidence warns that contractual transparency, frontline capacity building, and post-loan support are essential to translate expanded credit access into meaningful socio-economic gains. For BSI Surabaya, a rigorous, branch-level evaluation that measures both process indicators (approval speed, contract type distribution, DPS oversight) and outcome indicators (income, business survival, client perceptions of sharia compliance) would address important empirical gaps and help operationalize sharia microfinance in ways that are both scalable and faithful to Islamic ethical commitments.

## RESEARCH METHOD

This study used a qualitative research approach with a case study method to analyze the sharia microfinancing ecosystem model at BSI Surabaya HR Muhammad 1 Branch. As

stated by Suwendra (2018), in qualitative research, theory functions as a "scalpel" to dissect and understand the occurring problems in certain social situations. In addition, it is also often referred to as a foundation for studying phenomena of social life (Yusanto, 2020). This study is categorized as field research which was performed in intensive, detailed, and in-depth manner toward an organization, institution, or certain phenomenon. Through a case study model, the researchers might explore the phenomena intensively and in detail manner regarding the implementation of sharia micro financing within the context of organization and social interaction.

It was conducted in the Bank Syariah Indonesia (BSI) Surabaya HR Muhammad 1 Branch. The specific location was selected considering that the existing financing procedures in the BSI have been properly performed, indicated by zero NPF and innovation of ecosystem advancement through the "winning together" program. Informants selection for this study was through *purposive sampling* methods with certain designated criteria. Samples were taken up to the *saturation point* where additional data did not provide new insights. There were 9 informants: 1 person as Marketing Manager of Micro Team Leader, 2 persons as Marketing of Micro Team, and 6 persons as MSME clients

The data were collected through interview, observation, and documentation. The researchers also performed some interviews with officers and clients of the BSI Surabaya HR Muhammad 1 Branch. The questions were designated to explore crucial factors of sharia micro financing ecosystem model in the BSI Surabaya HR Muhammad 1 Branch and answer how the factors could be implemented effectively as well as maintain healthy and sustainable business growth. In addition, the researchers observed several informants, such as Marketing of the Micro Team, *branch manager*, and clients of micro financing in the bank. The data were then recorded, read, and processed to answer the research questions.

Data triangulation and interpretation were utilized to analyze the raw data. The researchers utilized triangulation theory, or two theories or more to be combined or contradicted. Therefore, it was necessary to prepare a data collection research design and a more complete data analysis. Hence, the result would be more comprehensive. Data interpretation is a process to discern the data in obtaining conclusion to answer the research question.

## **RESULTS AND DISCUSSION**

### **Ecosystem Model of Sharia Micro Financing of the BSI Surabaya HR Muhammad 1 Branch**

The ecosystem model is an integrated system involving several stakeholders, including bank, MSME clients, regulatory bodies (FSA and Bank of Indonesia), and business communities. It aims to create sustainable and mutual relationship. It does not only reflect the structure over economic actors, but also prioritize the relations in developing just, transparent, and sharia-based financing system.

To understand the ecosystem model in a more comprehensive manner, the discussion is focused to the three main aspects: sharia principles as a foundation in financing operations, the products of sharia micro financing offered to the clients, and innovation in the micro financing ecosystem to enhance the access and effectiveness of sharia financial services. Those aspects are connected with each other and form a holistic system for fostering the growth of MSMEs within Sharia corridors. These followings are the details of every aspect

and their implementation within the sharia micro financing practices in the BSI Surabaya HR Muhammad 1 Branch.

### 1. Sharia Principles

The BSI Surabaya HR Muhammad 1 Branch was consistently implementing sharia principles in the entire process of financing. It was realized through two main agreements, *murabahah* and *musyarakah*. *Murabahah* agreement is transaction with additional profitable margin approved by involving parties. Practically, this agreement avoids usury (*riba*), or the avoidance to take exploitative interests, which results in fairness within the transaction. Meanwhile, *musyarakah* agreement is a partnership model on a capital between two or more parties and both profit and risk are shared according to the agreement. This contract emphasizes the principle of refraining from the elements of *gharar* (uncertainty) and *maysir* (speculation or gambling) to ensure prosperity in the funded business. Both of these contracts strictly avoid the practices of *riba* (exploitative interest), *gharar* (excessive uncertainty), and *maysir* (speculation), which are fundamental prohibitions in Islamic economics (Antonio, 2011).

Operationally, the *murabahah* contract guarantees transactional fairness by setting a reasonable profit margin at the start of the contract, while the *musyarakah* contract prioritizes the principle of distributive justice through proportional distribution of business results. All financing transactions must meet sharia criteria, including the use of funds for halal business activities according to DSN-MUI fatwa No. 119/2018 concerning Sharia Ultra Micro Financing.

The application of sharia principles in micro-financing is through proper contracts and the whole process that would be adjusted to Islamic values. Hence, the ultimate goal is to create a fair, transparent, and blessed financial system. Principles such as the prohibition of *riba* (usury), *gharar* (uncertainty), and *maysir* (speculation) are implemented in financing products, ensuring that each transaction is not only materially profitable but also brings blessings and justice to all parties involved.

In line with the theory put forward by Soemitra (2017), the *sharia* principles in financing emphasize freedom of transactions, which must be based on willingness (*mutual consent*) without harming other parties. Transactions must be based on a valid contract and free from elements of usury, *gharar* (uncertainty), and *maysir* (gambling). Price manipulation is also prohibited and each individual deserves to obtain clear and accurate information. Beside the *sharia* principles, there are *tabi'i* values developed through rational analysis in the business, such as capital management, technical analysis, cash flow management, and risk management. Therefore, sharia financial system is a combination between *sharia* values in accordance with Al-Quran and Sunnah and *tabi'i* principles with its human's rationality in solving economic problems (Soemitra, 2017).

Theoretically, Islamic finance emphasizes the integration of social justice and economic welfare. Sharia microfinance not only functions as a capital provider but also as an empowerment instrument through the mechanisms of zakat, infak, shadaqa, and waqf, which encourage independence and social responsibility (Obaidullah & Khan, 2011).

## 2. Micro Financing Products

Micro-financing at Bank Syariah Indonesia (BSI) Surabaya HR Muhammad 1 Branch offers two main products. First, Sharia People's Business Credit or PBC (KUR) with a financing ceiling ranging from 2.5 to 500 million, which can be provided without collateral or with collateral based on business capacity analysis to assist MSMEs in developing and increasing competitiveness. Second, the BSI Micro Business (BUM) Non-PBC (KUR) product with a financing ceiling of up to 500 million rupiah to provide a solution for MSMEs that do not meet KUR requirements yet require business capital.

In addition, the bank also distributes financing to business communities and business ecosystems that have been verified according to sharia principles. In accordance with statement of Santoso (2021), banks play a role in distributing financing to the community to support economic growth and meet various financial needs. This type of micro-financing has been proven to support business expansion, increase productivity, and contribute greatly to economic growth (Turmudi, 2017).

Sharia microfinancing at Bank Syariah Indonesia (BSI) Surabaya HR Muhammad 1 Branch has a strategic role in supporting the development of MSMEs through two main products: Sharia People's Business Credit (KUR) and BSI Micro Business (BUM) Non-KUR. Both products offer flexibility in financing ceilings (up to IDR 500 million) and collateral requirements, so they can meet various micro-business needs.

More than just providing capital, sharia micro-financing at BSI also functions as an instrument of financial inclusion and strengthening the sharia business ecosystem. The implementation of sharia contracts such as *murabahah*, *mudharabah*, and *musharakah* not only guarantees transparency and fairness, but also avoids the practices of *gharar* and *usury*, in line with the principles of *maqashid sharia*. Islamic banks share risks and profits with MSMEs, provide active support in business development, and increase MSMEs' understanding of sharia principles and sustainable business values (Berliana & Suri, 2023).

This finding is in line with previous studies (Santoso, 2021; Turmudi, 2017; Berliana & Suri, 2023) which emphasize that sharia micro-financing product contributes to economic growth, empowerment of MSMEs, and the creation of a sustainable business ecosystem. Furthermore, innovations in the financing process such as digitalization and simplification of procedures need to continue to be developed so that service accessibility is wider, without ignoring sharia principles. Thus, sharia micro-financing product of BSI Surabaya HR Muhammad 1 Branch is not only a financial solution, but also a form of integration between Islamic values and the economic development of the community.

## 3. Innovation of Micro-Financing Ecosystem

BSI Surabaya HR Muhammad 1 Branch consistently increases the accessibility and effectiveness of sharia micro financing through various innovations. Its purpose is to reach more micro-entrepreneurs, accelerate the financing process, and reduce risks that may occur in the distribution of funds. As emphasized by Khan (2019), innovation in banking is highly important to increase efficiency and expand the reach of financial services to the public. In the context of Islamic banking, innovation does not only focus on technological aspects, but must also adhere to Islamic principles in every process.

The innovation in the micro-financing ecosystem at BSI Surabaya HR Muhammad 1 Branch includes four main strategies: financing digitalization, BSI agent program, community-based approach, and risk management strategy.

*Digitalization of financing*, digital innovation is one of the main strategies implemented in increasing the efficiency of Islamic micro financing. BSI Surabaya HR Muhammad 1 Branch uses the I-Kurma application, a *mobile*-based digital *platform* that allows bank officers to access and process financing applications more quickly and efficiently.

The I-Kurma application simplified the process from application to disbursement of funds, so that customers can receive funds in a short time. Customers who previously had to wait several weeks to receive funds can now receive financing in less than three days. Digitalization of Islamic microfinance is not only a necessity, but also a strategic obligation to accelerate the financing distribution process (Sari, 2023).

Although this application provides convenience, there are still some challenges in its implementation. One of the employees complained that improvements were required to the administration system because some processes remained using manual procedure, such as creating contract documents and other attachments. While digitalization has provided many benefits, there is still room for improvement to make the micro-financing system more efficient and less burdensome for officers in the field. Islamic banks can expand the reach of micro-financing through transparent and accessible digital platforms, while integrating more effective monitoring features to reduce the risk of default and create customer loyalty (Fintech, 2021).

*Community-Based Approach*, This approach allows financing to be provided to business groups with a sustainable business ecosystem, thereby reducing the risk of payment failure. This approach differs from conventional banks, which usually only consider individual factors in assessing creditworthiness. BSI Surabaya HR Muhammad 1 Branch distributes micro financing to business communities and business ecosystems that have been verified according to sharia principles. It would minimize credit risk because community members support each other in running their businesses.

*Risk Management Strategy*, BSI Surabaya HR Muhammad 1 Branch implements a new strategy in risk management through a three-pillar mechanism. It aims to reduce financing risks by improving the customer selection and monitoring system. This system was initially implemented to overcome weaknesses in the micro-financing process, which previously used a *one-stop service* system. In 2025, BSI Surabaya HR Muhammad 1 Branch would provide a *risk analyst* officer whose job is to assess each financing application. This is to minimize the risk of non-performing credit because each financing proposal would be thoroughly analyzed before being approved. In addition, this approach also helps ensure that the financing is truly in accordance with the customer's business capacity. As found by Khan (2014), the challenge in the sharia micro-financing ecosystem is managing financial risk and business risk effectively.

The implementation of these various innovations conveys that the success of Islamic micro-financing does not only depend on sharia compliance, but also on the ability to adapt to technological developments and the socio-economic characteristics of society. The existing main challenges are optimizing digital systems and increasing human resource capacity. In line with this, Wahyuddin (2022) in his research findings recommends that BSI should consider strategies to expand its service reach through digital technology, develop

local agents or partners, and implement broader financial inclusion policies to ensure that all MSMEs, including those in remote areas, can take advantage of Islamic micro-financing.

Thus, the sharia micro-financing ecosystem model at BSI Surabaya HR Muhammad 1 Branch has proven that the strong integration between sharia principles, institutional strategies, and financial service innovations, through the implementation of *murabahah* and *musyarakah* contracts, BSI avoids the practices of usury, *gharar*, and *maysir*, as well as creates justice and sustainability. In addition, the community-based approach, utilization of digital technology through the I-Kurma application, development of the BSI Agent program, and implementation of a three-pillar-based risk management strategy reflect an adaptive response to the needs of MSME actors and the socio-economic dynamics of the community. Sharia microfinancing at BSI Surabaya HR Muhammad 1 Branch functions as a funding tool, and an instrument for empowering the people's economy, builds an inclusive, sustainable business ecosystem in line with the *maqashid sharia*.

### **The Practice of MSMEs Financing Distribution in the BSI Surabaya**

Funding distribution for the micro, small, and medium entrepreneurs (MSMEs) is considerably vital for economic growth. The access availability on funding strategically enhances competitive rate and business sustainability of the MSMEs. In a sharia-based banking context, financing does not only focus on financial profit, but also leads to sharia values that highlight fairness, openness, and business prosperity.

BSI Surabaya HR Muhammad 1 Branch implements structured fund distribution which is adjusted to the sharia values to foster MSMEs growth. The fund distribution practice covers several main aspects, as based on interviews with BSI employees and customers: submitting and disbursing funds, risk management strategies in providing funds to micro businesses, the impact of providing funds for the development of customer businesses, and the challenges in distributing sharia micro funds.

#### **1. Application and Disbursement Process**

The BSI Surabaya HR Muhammad 1 Branch has developed quicker and more efficient application and disbursement process of financing. Practically, both processes of sharia micro financing in the BSI Surabaya HR Muhammad 1 Branch have been cultivated by digital technology, such as I-Kurma, which alleviates the administration process and selection of prospective funding recipients. There are several stages structured and integrated within the digital system through the entire process.

The stages are as follows: (1) Submission via the I-Kurma application, which is connected to the Financial Services Authority (OJK) and the Directorate General of Population and Civil Registration (Dukcapil) systems for initial verification; (2) Business survey, where BSI officers conduct direct checks on the business conditions of prospective customers; (3) Feasibility analysis, including checking business capacity, financial capability, and customer transaction history; (4) Financing approval, after all verifications have been completed; (5) Disbursement of funds, which on average takes less than three days after the application approval.

Besides, the seamless access without collateral is an interesting factor for many micro business owners. Swift and efficient application disbursement process in BSI Surabaya HR Muhammad 1 Branch is aligned to the *digital transformation* in banking theory. As argued by Khan (2019), utilizing digital technology could enhance efficiency in operations and

reduce processing duration. Besides, the integration with the Financial Services Authorities (OJK) and the Directorate General of Population and Civil Registration (Dukcapil) also ensures a fast and accurate verification process. The importance of technology in building a more inclusive and efficient sharia micro ecosystem. With technology, Islamic banks can expand the reach of microfinancing through transparent and easily accessible digital platforms. (Fintech, 2021)

In addition, the theory of *risk management* in banking also reinforces the importance of business surveys and feasibility analysis in the process. Direct surveys of customer businesses and comprehensive feasibility analysis facilitate the bank in minimizing the risk of nonperforming debts by ensuring that the funds are used for productive purposes. The Islamic bank needs to implement risk management wisely in financing distribution regardless of the ecosystem model, because the potential of payment failure remains if not managed properly. Hence, it will threaten the Islamic bank itself, which may affect the Islamic bank's health level (Sebayang, 2020).

BSI Surabaya HR Muhammad 1 Branch has proved that sharia micro financing could be optimized through technology integration and firm sharia principles. Through I-Kurma, the submission process to funding disbursement is more efficient, which reduces disbursement duration to only three days, and verifies the data accurately through data integration with the Financial Services Authorities and The five-stage system implemented not only accelerates services, but also ensures the principle of prudence through comprehensive risk assessment.

The success of this model confirms that the digitalization of Islamic banking is able to answer the challenges of financial inclusion for MSMEs without sacrificing Islamic principles. The efficiency of technologies such as I-Kurma goes hand in hand with strengthening the community-based financing ecosystem and regulatory monitoring. This finding also serves as empirical evidence that collaboration between digital innovation, risk management, and sharia approaches creates more adaptive services for MSMEs. However, challenges such as customer digital literacy and system security need to be considered. Overall, the practice of BSI Surabaya HR Muhammad 1 Branch is deserving of being a reference for the development of sustainable Islamic micro financing in the digital era.

## 2. Risk Management Strategies

The BSI Surabaya HR Muhammad 1 Branch applies diverse strategies to manage potential risks in distributing micro financing. BSI's employees asserted that currently the bank remains utilizing *one-stop service* schemes in financing process. Micro-financing officers carried out the entire process, from the initial application and business survey to the financing being completed (paid in full). This system allows the officers to handle financing more comprehensively. However, some weaknesses of it might open the opportunity to commit fraud or manipulate data. The Regulation of Bank of Indonesia Number 13/23/PBI/2011 regarding risk management implementation for Islamic general bank and sharia business unit identifies 10 potential risks for sharia bank: credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk, compliance risk, yield risk, and investment risk. Therefore, the BSI Surabaya HR Muhammad 1 Branch has applied novel mechanisms based on three pillars in managing risks.

These three pillars are: (1) hiring *risk analyst* officer who is responsible for assessing each funding application, so the entire process is not handled by one officer, (2) community-based approaches, where the financing would be granted to the verified entrepreneurial groups hence reducing payment failures, (3) tight monitoring of the clients, to ensure that the funding would be utilized for their business development accordingly. The strategy implementation has improved the efficiency of financing distribution and reduced payment failure risk. It also ensures that every granted funding is adequately appropriate for business needs and capacity of the clients.

Aside from its efficiency in managing the risks, the strategy implemented by the BSI Surabaya HR Muhammad 1 Branch directly affects clients' satisfaction and accomplishment. With careful assessment, a community-based approach, and strict monitoring, customers feel more secure in developing their businesses. This is in line with the positive response from customers who acquired real benefits of the sharia micro financing.

The BSI Surabaya HR Muhammad 1 Branch has developed a comprehensive risk management model of sharia micro financing through innovative three pillars. Notable transformation from *one-stop service* system to three-pillar model has demonstrated adaptive response towards the complexity of sharia banking risks as regulated in the Regulation of the Bank of Indonesia Number 13/23/PBI/2011. The strategy does not only mitigate operational and credit risks, but also create more transparent and sustainable financing ecosystem.

This model's advantage lies on its ability to synergize sharia principles with modern prudent banking principles. A community-based approach, for instance, does not only reduce payment failure through natural *peer pressure* mechanism, but also revitalize ta'awun (helping each other) values in Islamic economy. Results have been successfully achieved through higher points on clients' satisfaction and the success of micro businesses that received the funding, and maintaining the quality of bank loans.

These findings imply several important points: (1) function differentiation in financing process to avoid fund misuse, (2) effectiveness of community model as the alternative to conventional collateral, and (3) the needs of sustainable monitoring system adjusted to the micro business characteristics.

### 3. The Effect of Financing towards MSMEs.

Sharia micro financing applied by the BSI Surabaya HR Muhammad 1 Branch has a multiplying effect for the MSME clients. Several positive impacts from the business owner's side are business expansion, such as opening a new branch and adding production tools. There are also notable sales volume surge in that it improves their family's prosperity. Moreover, the financing fosters business diversification which enables the clients to expand their business in more profitable commodities. Hence, this sharia micro financing accommodates business expansion as well as reinforces long term economic resilience of the clients.

As expressed by Mr. Vincent, one of the clients of BSI Surabaya HR Muhammad 1 Branch stated that financing from the bank aided him in expanding his new business. He initiated only one business line, yet with the funding, he currently runs three new business lines. Meanwhile, Mr. Nursalim who owns laundry place stated that the funding also aided him to develop his capital, such as purchasing new washing machine, accepting orders from certain companies, and purchasing new vehicles for rental business.

According to testimonies from several clients, in conclusion, micro financing of BSI Surabaya HR Muhammad 1 Branch has played significant role in fostering MSMEs growth. Apart from broadening the business scale, it also assists the clients to access wider market. It corresponds to the growth theory of Neoclassical Economics, that some factors affecting economic growth are population growth, entrepreneurship, and investment (Alam, 2014).

The positive impact of micro financing is not merely observed by the clients but also defined as people's economic development in a broader context. This accomplishment resulted from the tenacity of the BSI Surabaya HR Muhammad 1 Branch to consistently optimize its financing programs. The BSI Surabaya HR Muhammad 1 Branch remains facing several constraints to implement it.

One of the main challenges is inadequate understanding of sharia finance in the society. Besides, there are problems in manual administration process, where several procedures require direct intervention of the staff and even with the digital software application. To overcome this, the BSI Surabaya HR Muhammad 1 Branch consistently educates the society and increases its efficiency in the digitization of micro financing services.

Therefore, practices of micro financing disbursement in the BSI Surabaya HR Muhammad 1 Branch not only prioritize the swiftness and efficiency of the services but also promote prudent banking principles and sharia values. The achievement highly depends on the comprehensive approaches of the BSI that integrated sharia principles with innovative technology and tight risk management. However, inadequate sharia financial literacy and a less digitized administration process determine room for improvement. Some strategic recommendations are: (1) strengthening the community-based sharia financial education program, (2) accelerating digital transformation through integrated software applications, and (3) optimizing collaboration with stakeholders. By improving those aspects, the sharia micro financing is expected to be a more powerful *engine of growth* in fostering inclusive and sustainable economic growth, and an example for the development of sharia finance in the country.

## CONCLUSION

Based on the result, it is concluded that the ecosystem model of micro financing in BSI Surabaya HR Muhammad 1 Branch involves the synergy of the bank, MSME clients, and regulatory bodies (Financial Services Authority and Bank of Indonesia), and entrepreneur communities. The system is deployed under sharia principles which are to avoid usury (*riba*), speculation (*maysir*), and uncertainty (*gharar*), and to use *murabaha* (cost-plus financing) and *musharakah* (joint partnership) agreements. The financing products are Sharia KUR (Working Capital Loans) and Non-KUR, with a loan ceiling up to IDR 500 million and warrant flexibility. Meanwhile, the innovation initiatives included *i-Kurma* application, BSI Agents, community approach, and three-pillar risk management.

Practically, the financing distribution process to the MSMEs is truly efficient as they apply through the *i-Kurma* which enables earlier verification by the Financial Services Authority and the Directorate General of Population and Civil Registration, and the fund will be disbursed within three days. The one-stop service approach taken by micro financing staff has significantly affected the business expansion, sales volume, and business diversification. In general, sharia micro financing in the BSI Surabaya HR Muhammad 1 Branch supports

the economy of MSMEs and creates inclusive and Islamic-based ecosystem. Regardless, education and digitalization should be improved simultaneously.

## REFERENCES

- Adekantari, S., & Rukmana, L. (2024). The Role of BSI in Enhancing MSME's Economy *Al-Bayan: Journal of Law and Islamic Economy*, 4(1), 95–115.
- Antonio, M. S. 2011. *Sharia Bank: Theory to Practices*. Jakarta: Gema Insani Press.
- ASEAN, 2022. *ASEAN Investment Report*, Jakarta: ASEAN.
- Cahya, A. D., Widyastuti, M. L., & Fatharani, H. (2021). The Role of Banking System in MSMEs' Financing during Covid-19 *Fidusia : Journal of Finance and Banking System*, 4(2), 138–149. <https://doi.org/10.24127/jf.v4i2.613>
- Dhumale, R., & Sapcanin, A. (1998). An Application of Islamic Banking Principles to Microfinance. *Study by the Regional Bureau for Arab States, United Nations Development Programme, in Cooperation with the Middle East and North Africa Region*, 1–14.
- Fintech, K. (2021). *Financial Technology ( Fintech )*. 2(1).
- Halim, E., & Arifianto, C. F. (2023). From Worker to Businessman: A Qualitative Analysis of Career Shock in Millennial Business Owners. *Journal of Education and Entrepreneurship*, 11(3), 986–999. <https://doi.org/10.47668/pkwu.v11i3.737>
- Indonesia, Bank syariah Tbk, P. (2021). *Risk Management Policy of PT. Bank Syariah Indonesia Tbk*. 7-8.
- Irawan, H., Dianita, I., & Salsabila Mulya, A. D. (2021). The Role of Bank Syariah Indonesia in National Economy Development. *Journal Asy-Syarikah: Journal of Financial Institutions, Economy, and Islamic Business*, 3(2), 147–158. <https://doi.org/10.47435/asy-syarikah.v3i2.686>
- J.R.Raco. (2010). *Qualitative Research Methods: Types, Characteristics, and Advantages*. Jakarta: PT.Grasindo.
- Karim, A. A. (2019). *Islamic Bank: Analysis of Fiqh and Finance*. 11th Edition. Jakarta: Rajawali Pers.
- Khodiron, K., Fitriyani, F., & Maulana, M. A. (2022). The Role of Sharia Bank in the Development of Micro Economics of Indonesia. *The Academy Of Management and Business*, 1(3), 113–118. <https://doi.org/10.55824/tamb.v1i3.181>
- Abdillah, F. (2024). Dampak Ekonomi Digital Terhadap Pertumbuhan Ekonomi di Indonesia. *Benefit: Journal of Business, Economics, and Finance*, 2(1), 27–35. <https://doi.org/10.70437/benefit.v2i1.335>
- Adekantari, S., & Rukmana, L. (2024). Peran Bank BSI Dalam Meningkatkan Perekonomian UMKM. *Al-Bayan: Jurnal Hukum Dan Ekonomi Islam*, 4(1), 95–115.
- Adinugraha, H. H., Shulhoni, M., & Achmad, D. (2023). Islamic social finance in Indonesia: Opportunities, challenges, and its role in empowering society. *Review of Islamic Social Finance and Entrepreneurship*, 45–62. <https://doi.org/10.20885/RISFE.vol2.iss1.art4>
- Dwi Retna Sulistyawati, Tri Handayani, Rita Andini, Sukamto Sukamto, & Heri Poerbantoro. (2024). Breakthrough Radical Innovation From An Islamic Perspective:

- A Literature Review. *International Journal of Economics, Management and Accounting*, 1(2), 184–200. <https://doi.org/10.61132/ijema.v1i2.61>
- Fintech, K. (2021). *Finanncial Techology ( Fintech )*. 2(1).
- Hiew, L.-C., Lam, M.-T., & Ho, S.-J. (2025). Unveiling the nexus: Unravelling the dynamics of financial inclusion, FinTech adoption and societal sustainability in Malaysia. *Journal of Financial Reporting and Accounting*, 23(2), 575–593. <https://doi.org/10.1108/JFRA-12-2023-0791>
- Kunaifi, A., Ali Sad, A., & Mawardi, A. (2023). Opportunities Analysis of Indonesian Sharia Bank (BSI) Become Top 5 Bank in Indonesia Based on Asset Strength and Vision Mission. *Majapahit Journal of Islamic Finance and Management*, 2(1), 1–22. <https://doi.org/10.31538/mjifm.v2i1.21>
- Kunaifi, A., Fawa'id, M. W., & Faujiah, A. (2022). Cryptocurrency and the Future of the World Currency. *Jurnal Kajian Peradaban Islam*, 5(1), 86–97. <https://doi.org/10.47076/jkpi.v5i1.136>
- Kunaifi, A., Rahman, F., & Dwiaryanti, R. (2021). The Philosophy and Authentication of Welfare Equalization in the Islamic Economy. *Jurnal Kajian Peradaban Islam*, 4(2), 54–62. <https://doi.org/10.47076/jkpi.v4i2.67>
- Kunaifi, A., & Syam, N. (2021). Business Communication in Developing the Halal Tourism Industry. *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)*, 4(1), 1–17. <https://doi.org/10.31538/ijse.v4i1.1305>
- Kunaifi, A., & Zhilalil Haq, F. (2025). Is Fintech Financing Failing the Faithful? Online Lending, Debt Culture, and Islamic Economic Principles. *EKSYPAR: Ekonomi Syariah dan Bisnis Islam*, 12(1), 21–33. <https://doi.org/10.54956/eksypar.v12i01.672>
- Latifah, E. (n.d.). *Ekosistem Keuangan Syariah Pada Islamic Ekonomi Islam Di Pesisir Utara Jawa ( Studi Kasus 6 Koperasi Syariah di Pesisir Utara Lamongan )*. 9, 187–202.
- Masruron, M., & Safitri, N. A. A. (2021). Analisis Perkembangan Perbankan Syariah Di Indonesia Di Masa Pandemi Covid-19. *Al Birru: Jurnal Keuangan Dan Perbankan Syariah*, 1(1), 1–20.
- Matnin, Kunaifi, A., & Ubaidillah, A. (2021). Pengaruh Persepsi Teknologi Informasi, Risiko Dan Handling Of Complaints Terhadap Minat Nasabah Dalam Menggunakan Internet Banking (Studi Kasus Bprs Bakti Sumekar Cabang Pragaan). *Jurnal Ekonomi Syariah Pelita Bangsa*, 6(02), 176–190. <https://doi.org/10.37366/jespb.v6i02.246>
- Muheramtohad, S. (2017). Peran Lembaga Keuangan Syariah dalam Pemberdayaan UMKM di Indonesia. *MUQTASID Jurnal Ekonomi Dan Perbankan Syariah*, 8(1), 95. <https://doi.org/10.18326/muqtasid.v8i1.95-113>
- NURBAITI, A. M., & Muhammad Iqbal Fasa. (2021). Peran Perbankan Syariah Dalam Membantu Usaha Mikro Kecil Dan Menengah Menerapkan Konsistensi Pencatataan. *Revenue: Jurnal Ekonomi Pembangunan Dan Ekonomi Islam*, 4(01), 1–13. <https://doi.org/10.56998/jr.v4i01.30>
- Rahmatullah, M. (2022). Merger Bank Syariah Indonesia Menurut Peraturan Otoritas Jasa Keuangan Nomor 41/Pojk. 03/2019. *Jurnal Articiel*, 2.
- Sebayang, S. (2020). Mengembangkan Manajemen dan Meningkatkan Budaya Resiko di Perbankan Syariah. *Jurnal Manajemen Tools*, 12(1), 181–197.

- Yusanto, Y. (2020). Ragam Pendekatan Penelitian Kualitatif. *Journal of Scientific Communication (Jsc)*, 1(1), 1–13. <https://doi.org/10.31506/jsc.v1i1.7764>
- kur.ekon.go.id. (2016). *KUR (Working Capital Loans) • Policy of Working Capital Loans*. <https://kur.ekon.go.id/kebijakan-kur>
- Latifah, E. (2022). *Sharia Finance Ecosystem on Islamic Economy in Northern Coast of Java (Case Study of 6 Sharia Cooperation in Lamongan's Northern Coast)*.9, 187-202.
- Leksono, S., Kualitatif, P., Ekonomi, I., Metode, M., Persada, R., Bab, J., & Lmu, A. S. Y. D. I. I. (2013). *Economic Science and Qualitative Research*.
- LP2M Medan Area, 2022. *Understanding Data Interpretation, Procedures, and Samples*. [Online]  
Available at: <https://lp2m.uma.ac.id/2022/07/15/pengertian-interpretasi-data-langkah-beserta-contohnya/>  
[Accessed 24 January 2025].
- LP2M Universitas Medan Area, 2022. *Purposive Sampling*. [Online]  
Available at: <https://lp2m.uma.ac.id/2022/05/31/purposive-sampling-definisi-keuntungan-dan-cara-melakukannya/>
- Mahdiyan, A. (2022). Public-Private Partnership - The global economy is predicted to be hit by recession in 2023, how about infrastructure development? In *Kpbu* (pp. 27 November 2023-27 November 2023). <https://kpbu.kemenkeu.go.id/read/1173-1508/umum/kajian-opini-publik/perekonomian-dunia-diprediksi-akan-dihantam-resesi-tahun-2023-bagaimana-dengan-pembangunan-infrastruktur>
- Masruron, M., & Safitri, N. A. A. (2021). Analysis of the Progress of Sharia Banking in Indonesia during Covid-19 Pandemic. *Al Birru: Journal of Finance and Sharia Banking*, 1(1), 1–20.
- Maulana, A., Rusmini, R., Mukaromah, V., & Nafisa, Y. (2023). The Progress of Islamic Economy In *Jurnal Akuntansi, Manajemen, Bisnis dan Teknologi (AMBITEK)*, *Journal of Accounting, Management, Business, and Technology* (Vol. 3, Issue 2). <https://doi.org/10.56870/ambitek.v3i2.81>
- Meleong, L. J. (2012). *Qualitative Research Methods*. Bandung : PT Remaja Rosdakarya.No Title.
- Dikky, M., Adel, A. N. H., Anis, A. A., Umam, F. U., Isma, I. N. A. N., & Sisil, S. R. (2024). The Effect of Sharia Micro Finance System and Sharia Bank toward National Economic Evolution. *Journal of Economics and Business*, 2(1), 1–10. <https://doi.org/10.61994/econis.v2i1.447>
- Sholahuddin, M. (2013). Challenges of Sharia Banking in MSMEs Advancement *National Seminar and Call for Papers SANCALL*, 496–500. <https://publikasiilmiah.ums.ac.id/xmlui/handle/11617/3796%0Ahttps://publikasiilmiah.ums.ac.id/bitstream/handle/11617/3796/48.M.Sholahuddin.pdf?sequence=1>
- Muheramtohadi, S. (2017). Performance of Sharia Financial Institutions in MSMEs Empowerment in Indonesia. *MUQTASID Journal of Economics and Sharia Banking*, 8(1), 95. <https://doi.org/10.18326/muqtasid.v8i1.95-113>
- MUI Number 119 Year, 2018. *Ultra Micro Financing*. s.l., s.n.

- Nurbaiti, A. M., & Muhammad Iqbal Fasa. (2021). The Involvement of Sharia Banking in Assisting Micro, Small, and Medium Enterprises to Perform Consistent Bookkeeping Revenue: *Journal of Development Economics and Islamic Economy*, 4(01), 1–13. <https://doi.org/10.56998/jr.v4i01.30>
- Nurdiani, N. (2014). Snowball Sampling Techniques in the Field Research In *ComTech: Computer, Mathematics and Engineering Applications* (Vol. 5, Issue 2, p. 1110). <https://doi.org/10.21512/comtech.v5i2.2427>
- Obaidullah, M., & Khan, T. (2011). Islamic Microfinance Development: Challenges and Initiatives. In *SSRN Electronic Journal* (Issue 2). <https://doi.org/10.2139/ssrn.1506073>
- Mudjia Rahardjo. (2017). *Case Study Research Design*. 1–15.
- Rahmatullah, M. (2022). The Merger of Bank Syariah Indonesia According to the Regulation of Financial Services Authority (OJK) Number 41/Pojk. 03/2019 *Journal Article*, 2. <https://ejournal.unsrat.ac.id/index.php/lexprivatum/article/view/40385%0Ahttps://ejournal.unsrat.ac.id/index.php/lexprivatum/article/download/40385/36169>
- Santoso, I. R., 2021. *The Grants of Populist Economy (Empowering Real Sectors through Sharia Financial Service Cooperation BMT)* Yogyakarta: Bintang Pustaka Madani.
- Sari, W. R., Nabbila, F. L., & Putri, D. F. (2023). The Progress of PT. Bank Syariah Indonesia Tbk (BSI) Financing in Enabling MSMEs Growth *Journal of Social Economic Management (DINAMIKA) VOL 3, No.2, Oktober 2023, Pp. 164 - 170 Page 164, 3(2)*, 164–170.
- Sebayang, S. (2020). Developing Management and Enhancing Risk Culture in Sharia Banking *Journal of Tools Management*, 12(1), 181–197. <http://www.elsevier.com/locate/scp>
- Simangunsong, B. Y. P., 2022. Opportunities and Challenges of the Micro, Small, and Medium Enterprises: *Journal of Development Economics*, pp. 25-39.
- Soemitra, A., 2017. *Bank dan Sharia FInancial Institutions*. 2nd ed. Jakarta: Prenadamedia.
- Soemitra, A., Nawawi, Z. M. & Syahbudi, M., 2022. *Sharia Financing for Micro Business in Indonesia*. Medan: Merdeka Kreasi Group.
- Sugiyono. (2020). *Methodologies of Quantitative, Qualitative, and Research and Development and Research*.
- Suwendra, I. W. (2018). Qualitative Research Methodologies in Social Science, Education, Culture, and Religiosity In *NilaCakra Publishing House, Bandung*. [yusuf.staff.ub.ac.id/files/2012/11/Jurnal-Penelitian-Kualitatif.pdf](http://yusuf.staff.ub.ac.id/files/2012/11/Jurnal-Penelitian-Kualitatif.pdf)
- Syafii, I., & Harahap, I. (2020). The Opportunities of Sharia Banking in Indonesia. *National Seminar on Computer Technology and Science (SAINTEKS)*, 7, 666–669. <https://prosiding.seminar-id.com/index.php/sainteks>
- Turmudi, M., 2017. Micro Financing of Sharia BRI: Empowering and Enhancing Initiatives for the MSMEs by Sharia BRI Kendari Branch *Journal of the Study of Islamic Economy and Business*, p. 20.
- Law Number 17 Year 2003, 2003. *concerning state finance*. Jakarta, Republik Indonesia.
- Law Number 1 Year, 2013. *Exchanging Information among LKM*. s.l., Republik Indonesia.

- Wahyuddin. (2022). Bank Syariah Indonesia's MSMEs Center: UMKM Go Halal, Go Digital, Go Global. In *DetikNews* (p. 1). <https://news.detik.com/kolom/d-6483046/bsi-umkm-center-umkm-go-halal-go-digital-go-global>
- Yusanto, Y. (2020). Types of Qualitative Research Approaches *Journal of Scientific Communication (Jsc)*, 1(1), 1–13. <https://doi.org/10.31506/jsc.v1i1.7764>
- Zahara, A., Andini, B., Sudirman, W. F. R., & Reza, S. (2024). The Role of Sharia Banking in Building Micro Business in Indonesia. *International Journal Of Education, Social Studies, And Management (IJESSM)*, 4(2), 388–401. <https://doi.org/10.52121/ijessm.v4i2.258>