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PRAKTIK AWAL KEUANGAN BERKELANJUTAN PADA CABANG BANK PEMBANGUNAN DAERAH DI MAROS

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ABSTRAK

Penelitian ini menganalisis praktik awal keuangan berkelanjutan pada Bank Sulselbar Cabang Maros sebagai cabang bank pembangunan daerah yang beroperasi dalam ekosistem ekonomi lokal. Isu ini penting karena praktik keberlanjutan pada tingkat cabang sering tidak terlihat dalam pelaporan keberlanjutan formal, padahal cabang menjadi penghubung langsung bank dengan pemerintah daerah, aparatur sipil negara, UMKM, dan masyarakat. Penelitian menggunakan pendekatan kualitatif deskriptif dengan desain studi kasus. Data utama diperoleh dari laporan wawancara lapangan tahun 2025, sedangkan data sekunder berasal dari regulasi keuangan dan literatur ilmiah tentang green banking, ESG, inklusi keuangan digital, dan tata kelola risiko perbankan. Data dianalisis secara tematik melalui empat dimensi, yaitu produk keuangan hijau, digitalisasi layanan, pembiayaan sektor produktif, dan tata kelola risiko. Hasil penelitian menunjukkan bahwa keuangan berkelanjutan pada cabang masih berada pada tahap inisiasi, yang tercermin pada pengembangan tabungan hijau, pembiayaan ramah lingkungan percontohan, mobile banking, integrasi QRIS dan e-wallet, kredit UMKM, serta penilaian risiko berbasis KYC, AML, SLIK, dan 5C. Penelitian menyimpulkan bahwa praktik cabang dapat mendukung keuangan berkelanjutan apabila diperkuat melalui dokumentasi, pemetaan portofolio, dan indikator risiko lingkungan-sosial.

Kata Kunci: *Bank Pembangunan Daerah; Green Banking; Keuangan Berkelanjutan; Pembiayaan UMKM; Tabungan Hijau*

EARLY SUSTAINABLE FINANCE PRACTICES IN A REGIONAL DEVELOPMENT BANK BRANCH IN MAROS

ABSTRACT

This study examines early sustainable finance practices at Bank Sulselbar Maros Branch as a regional development bank branch embedded in a local economic ecosystem. The issue is important because branch-level sustainable finance practices are often less visible in formal sustainability reporting, even though branches connect banks directly with local governments, civil servants, MSMEs, and communities. The research uses a descriptive qualitative approach with a case study design. Primary data were obtained from a 2025 field interview report, while secondary data came from financial regulations and scholarly literature on green banking, ESG, digital financial inclusion, and banking risk governance. The data were analysed thematically through four dimensions: green financial products, service digitalisation, productive-sector financing, and risk governance. The findings show that sustainable finance at the branch remains at an initiation stage, reflected in green savings development, pilot environmentally friendly financing, mobile banking, QRIS and e-wallet integration, credit provision for MSMEs, and KYC, AML, SLIK, and 5C-based risk assessment. The study concludes that branch practices can support sustainable finance when strengthened through documentation, portfolio mapping, and environmental-social risk indicators.

Keywords: Green Banking; Green Savings; MSME Financing; Regional Development Bank; Sustainable Finance

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INTRODUCTION

Banking has a decisive position in the direction of economic development because decisions on fund mobilisation and credit allocation do not merely perform an intermediation function; they also influence the quality of the economic activities being financed. In regional development, this role becomes more specific because regional development banks operate close to local governments, civil servants, local business actors, and communities. This proximity gives regional banks a dual function. On the one hand, they are providers of financial services. On the other hand, they are local financing nodes that can support productivity, payment services, and financial inclusion at the district level.

The sustainable finance agenda expands the way banks define their role. Banks are no longer assessed only by credit growth, profitability, and asset quality, but also by the environmental, social, and governance implications of their business activities. Green banking has emerged as a response to climate-related risk, regulatory pressure, reputational risk, and new business opportunities associated with sustainable financial products and services (Park & Kim, 2020; Yip & Bocken, 2018). At the same time, empirical evidence suggests that sustainability and financial access may be related to bank performance and resilience, although the relationship depends on bank size, governance quality, risk profile, and measurement approach (Nizam et al., 2019; Xie et al., 2019).

In Indonesia, sustainable finance has a clear regulatory basis. Financial Services Authority Regulation Number 51/POJK.03/2017 requires financial service institutions, issuers, and public companies to apply sustainable finance principles through action plans, reporting, internal capacity building, and the development of sustainable financial products and services (OJK, 2017). The Financial Services Authority later strengthened this direction through the Sustainable Finance Roadmap Phase II 2021-2025, which emphasises the development of a sustainable finance ecosystem comprising policies, products, market infrastructure, coordination, non-governmental support, human resources, and awareness (OJK, 2021). The Indonesia Taxonomy for Sustainable Finance also provides a classification reference for sustainable economic activities (OJK, 2026).

For regional development banks, this agenda is particularly relevant. The Roadmap for Strengthening Regional Development Banks 2024-2027 highlights the transformation of regional development banks into financial institutions that are resilient, sound, efficient, competitive, and able to contribute more optimally to regional and national economies (OJK, 2024). Accordingly, sustainable finance in a regional bank should not be understood only as a head-office reporting obligation. It should also be seen as a set of operational practices that may appear at branch level, including service digitalisation, MSME financing, customer due diligence, credit assessment, and the early introduction of green financial products.

Existing green banking research in Indonesia has generally focused on company-level reporting, sustainability reports, annual reports, and disclosure indices. Studies of state-owned banks, for instance, often emphasise disclosure domains and the initiation of green banking practices (Handajani et al., 2019). Other studies warn that green claims in banking do not always indicate deep operational implementation, so researchers need to distinguish between rhetorical commitment and measurable practice (Salsabila & Adhariani, 2023). This gap creates an opportunity to examine branch-level practices, especially in regional development banks that interact directly with local customers and business actors.

The field interview report on Bank Sulselbar Maros Branch indicates several early signs of sustainable finance. These signs include the development of a green savings product, pilot environmentally friendly financing for renewable energy and MSME waste management, integration of savings products with mobile banking, QRIS, and e-wallets, and the application of Know Your Customer (KYC), Anti-Money Laundering (AML), the Financial Information Service System (SLIK), and the 5C principle in credit risk governance (Kelompok 4, 2025). However, the available data remain narrative and do not yet include green financing portfolio values, environmental impact indicators, or formal ESG risk assessment procedures. Therefore, this article positions the object not as a mature example of sustainable finance implementation but as a case of early practice that should be read proportionally.

Based on this background, the research question is: how are early sustainable finance practices reflected at Bank Sulselbar Maros Branch? The objective is to analyse these practices through four dimensions: green financial products, service digitalisation, productive-sector financing, and risk governance. The contribution of this article is to enrich regional green banking studies by placing a regional development bank branch as the unit of analysis and by demonstrating how sustainability can begin from ordinary operational routines before becoming a fully formalised green finance system.

LITERATURE REVIEW

Sustainable Finance and ESG in Banking

Sustainable finance can be understood as financial-sector support for economic growth that balances economic, social, environmental, and governance considerations. In banking, this concept changes how risk and opportunity are evaluated. A bank is expected not only to consider the repayment ability of a debtor but also to examine the broader impacts of financed activities, including environmental risk, social risk, reputational risk, and

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governance quality. ESG integration is important because environmental, social, and governance information can influence decision quality, long-term reputation, and organisational performance (Alsayegh et al., 2020; Khan et al., 2016; Xie et al., 2019).

Sustainability in banking has a different character from sustainability in non-financial firms. Banks may have a direct environmental footprint through office operations, energy use, paper consumption, and employee mobility. Yet their broader influence often appears indirectly through the sectors, projects, and customers they finance. This indirect influence makes credit policies, portfolio screening, and risk governance central to sustainable banking. A branch may not design corporate strategy, but it is often the place where customer screening, product education, credit documentation, and monitoring activities are performed.

Green finance instruments, such as green bonds, have also expanded the vocabulary of sustainable finance. Flammer (2021) shows that corporate green bonds can signal credible environmental commitment when supported by certification and transparent use of proceeds. Gianfrate and Peri (2019) further demonstrate that green bond issuance can produce financing advantages under certain market conditions. Although regional bank branches do not usually issue such instruments independently, the logic behind green instruments is relevant for branch-level products: claims of sustainability become stronger when linked to specific use of funds, eligibility criteria, and measurable outcomes.

Green Banking and Green Financial Products

Green banking refers to banking practices that support environmental sustainability through internal operations, financial products, financing policies, disclosure, and risk management. Park and Kim (2020) frame green banking as a transition process in which regulators and financial institutions jointly shape incentives, standards, and market behaviour. Yip and Bocken (2018) argue that sustainable banking requires business models that connect financial services with environmental and social value creation rather than treating sustainability as a peripheral corporate social responsibility issue.

Green banking disclosure is influenced by institutional and governance factors. Bose et al. (2018) find that institutional pressure and corporate governance are associated with green banking disclosure. Kumar and Prakash (2019) also note that sustainability reporting in the banking sector should be assessed carefully because disclosure may not automatically indicate strong implementation. These arguments are important for this study because the evidence from the Maros Branch is still preliminary. The article therefore avoids overstating implementation and uses the term early practice to describe the observed indications.

Green savings can become an entry point for sustainable banking if the funds collected from customers are linked to financing activities with clear environmental criteria. However, a savings product should not be labelled green merely because it carries a green name or ESG narrative. A stronger green savings product requires at least four elements: a product document, a use-of-funds mechanism, eligibility criteria for financed projects or sectors, and impact reporting. Without these elements, a green savings initiative is better interpreted as an initial commitment or pilot effort rather than a fully developed sustainable financial product.

Digital Financial Inclusion and Service Efficiency

Digital finance has a close relationship with financial inclusion because technology can reduce transaction barriers, lower costs, improve payment speed, and extend financial access to customers who are distant from physical bank offices. Ozili (2018) explains that digital finance can support inclusion and financial stability but also requires proper governance. Omar and Inaba (2020) show that financial inclusion is associated with poverty and inequality reduction in developing countries, while Senyo and Osabutey (2020) highlight the role of fintech innovation in expanding inclusion. In the Indonesian context, digital finance has become increasingly relevant for banking inclusion, including through mobile banking and digital payment ecosystems (Widarwati et al., 2022).

Digitalisation, however, should not be treated as automatically sustainable. Mobile banking, QRIS, and e-wallet integration may reduce transaction friction, improve service efficiency, and generate better transaction records. Yet these benefits must be accompanied by consumer protection, data security, digital literacy, and operational resilience. Yue et al. (2022) caution that digital finance can support inclusion but may also create new risks, including over-indebtedness, if not governed properly. For this reason, digitalisation in this article is discussed as a supporting condition for sustainable finance rather than as conclusive evidence of sustainability.

Regional Development Banks, MSMEs, and Local Economic Sustainability

Regional development banks have a specific role in local economies because they are linked to local governments, public-sector payrolls, local budget management, and community-level financial services. Their contribution cannot be measured only by total credit volume. It also needs to be assessed through the quality of credit allocation, support for MSMEs, contribution to local productivity, and ability to maintain prudent risk management. A regional bank branch may provide routine services, but these routine services can affect the depth of local financial inclusion and the resilience of small businesses.

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MSME financing is relevant to sustainable finance because MSMEs form a major part of local economic activity and employment. When financing helps MSMEs improve productivity, adopt cleaner processes, manage waste, or increase energy efficiency, credit can support both economic and environmental objectives. Nevertheless, MSME financing should not be equated with green financing unless the financed business, activity, or project meets defined sustainability criteria. This distinction is essential in the present case because the interview data mention MSMEs as users of credit and also mention pilot waste-management initiatives, but they do not provide a full green MSME portfolio classification.

Risk Governance as a Foundation for Sustainable Finance

Risk governance is a foundation of sustainable banking. Traditional credit analysis generally examines character, capacity, capital, collateral, and condition of economy. In sustainable finance, these criteria remain necessary but are no longer sufficient. They should be complemented by environmental and social risk considerations, such as business permits, waste management practices, labour practices, community impacts, and exposure to regulatory or climate-related risks. This does not mean that every branch must immediately conduct complex ESG modelling. For early-stage implementation, a simple environmental and social checklist can be a practical first step.

KYC and AML are also relevant to sustainable finance because they protect the integrity of the financial system. They help banks understand who their customers are, monitor suspicious transactions, and prevent the misuse of financial services. Although KYC and AML are usually associated with compliance and financial crime prevention, they also reflect governance capacity. A branch with stronger governance routines is more prepared to incorporate additional sustainability criteria in the future. Therefore, this study treats KYC, AML, SLIK, BMPK, bilyet giro validation, and 5C analysis as prudential foundations that can be expanded toward environmental and social risk governance.

Conceptual Framework

The conceptual framework of this study connects four branch-level operational dimensions with early sustainable finance practice. The first dimension is green financial products, represented by the development of green savings and pilot environmentally friendly financing. The second is service digitalisation, represented by mobile banking, QRIS, interbank transfer, and e-wallet top-up services. The third is productive-sector financing, especially financing that reaches MSMEs and other local customer groups. The fourth is risk governance, represented by KYC, AML, SLIK, BMPK, bilyet giro validation, and 5C-based credit assessment.

These four dimensions are not treated as proof of full sustainable finance implementation. Rather, they are interpreted as indicators of initiation. The analytical assumption is that sustainable finance in a regional bank branch develops gradually. It begins with operational routines, product ideas, digital services, and prudential procedures, and later becomes stronger when supported by documentation, portfolio data, impact measurement, and formal ESG risk assessment. This framework allows the study to recognise meaningful early practice without exaggerating the strength of evidence.

RESEARCH METHODS

This study uses a descriptive qualitative approach with a case study design. The approach is appropriate because the research aims to understand early sustainable finance practices in their real organisational context rather than to test statistical relationships among variables. Case study design is suitable for examining a bounded case, especially when the phenomenon is context-dependent and still at an early stage of development (Ridder, 2017). The case selected is Bank Sulselbar Maros Branch, a regional development bank branch operating in Maros Regency, South Sulawesi.

The population in this study is not defined in a statistical sense because the research is qualitative. The unit of analysis is the branch-level practice of a regional development bank. The empirical data unit is the 2025 field interview report prepared by Kelompok 4 of the Accounting Education Study Program, Faculty of Economics and Business, Universitas Negeri Makassar. The report contains information on bank profile, savings, deposits, securities, loans, credit, digital payment integration, risk governance, and indications of ESG-oriented product development. Because the data come from a field interview report rather than from a full institutional audit, the findings are interpreted cautiously.

The sample or data source was determined purposively. The report was selected because it contains direct field information on Bank Sulselbar Maros Branch and includes questions relevant to green savings, digital payments, credit users, KYC, AML, SLIK, BMPK, and 5C credit assessment. Secondary data were obtained from OJK regulations and roadmaps, as well as peer-reviewed literature on green banking, ESG disclosure, digital finance, financial inclusion, case study research, and thematic analysis. This combination of interview-based data and literature was used to strengthen interpretation and prevent the article from relying solely on descriptive field notes.

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The study does not use statistical variables. Instead, it uses four operational dimensions as qualitative analytical categories: green financial products, service digitalisation, productive-sector financing, and risk governance. Green financial products refer to products or financing initiatives associated with environmentally friendly activities. Service digitalisation refers to digital channels and payment integration that support transaction efficiency and financial access. Productive-sector financing refers to credit allocation to local economic actors, including MSMEs, civil servants, regional-owned enterprise employees, and other customer groups. Risk governance refers to procedures that help the bank identify customers, evaluate creditworthiness, comply with regulations, and monitor risk.

Data analysis was conducted thematically. Thematic analysis is useful for identifying, organising, and interpreting patterns in qualitative data (Braun & Clarke, 2006). The analysis was carried out through four stages. First, relevant information from the field report was reduced by selecting content related to green savings, pilot financing, digital services, credit, and risk governance. Second, the selected information was grouped into the four analytical dimensions. Third, each theme was interpreted using sustainable finance and green banking literature. Fourth, conclusions were drawn by distinguishing between early indications and evidence of full implementation.

Validity was pursued through source comparison and conceptual triangulation. Field data were compared with regulatory expectations and scholarly concepts. This process helped identify which claims could be supported and which claims should remain tentative. For example, the report mentions green savings and pilot environmentally friendly projects, but it does not provide product documents, allocation mechanisms, portfolio values, or impact indicators. Therefore, the article classifies this as evidence of initiation, not as proof of complete green banking implementation. The limitation of this method is that it relies on one interview report and does not include independent verification through internal bank documents.

Table 1. Research Data Mapping

Analysis Focus	Field Evidence Used	Conceptual Reference	Validity Note
Green financial products	Information on green savings development and pilot projects for renewable energy and MSME waste management.	Green banking, sustainable products, and use of green funds.	Still indicative; product documents and impact indicators are required.
Service digitalisation	Mobile banking, QRIS, interbank transfer, and e-wallet top-up services.	Digital finance and financial inclusion.	Sufficient for reading the direction of practice, but user and transaction data are needed.
Productive-sector financing	Credit to civil servants, MSMEs, regional-owned enterprise employees, legislators, government contract employees, and retirees.	Inclusive finance, MSME financing, and regional bank roles.	MSME credit cannot yet be separated into ordinary MSME financing and green MSME financing.
Risk governance	KYC, AML, SLIK, bilyet giro validation, BMPK, and the 5C principle.	Risk governance, prudential banking, and ESG risk.	Provides an initial foundation but does not yet show formal environmental-social risk integration.

Source: Processed Data.

RESULTS AND DISCUSSION

Early Sustainable Finance Practices Are Still at the Initiation Stage

The analysis shows that sustainable finance practices at Bank Sulselbar Maros Branch are still at the initiation stage. The practices do not yet form a mature, fully documented, and measurable sustainable finance system. Rather, they appear as early indications connected to product development, digital services, local credit distribution, and prudential risk governance. This condition is understandable because strategic sustainable finance policies in a banking institution are usually designed at the head-office level, while branches operate as service and implementation units.

The term initiation stage is important because it protects the article from making excessive claims. The interview report provides meaningful information, but it does not provide the kind of evidence needed to claim complete implementation. There are no data on green portfolio value, the number of customers using green savings, the amount of funds allocated to eligible green activities, environmental impact indicators, or formal ESG screening procedures. Therefore, the strongest academic claim is that the branch shows early practices and potential directions for sustainable finance.

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This finding is consistent with literature that warns against equating green banking discourse with substantive implementation. Kumar and Prakash (2019) emphasise that sustainability reporting must be assessed in relation to practice, while Salsabila and Adhariani (2023) show that green banking claims may vary in depth. In this case, the branch has relevant practices, but the practices remain incomplete unless supported by formal documentation, measurable indicators, and portfolio-level evidence. The study therefore interprets the branch as an emerging site of sustainable finance rather than a fully established model.

Green Savings as an Entry Point for Sustainable Financial Products

The most direct finding related to sustainable finance is the information that Bank Sulselbar is developing a green savings product as part of its ESG commitment. The interview report also notes pilot projects directed toward environmentally friendly financing, including renewable energy and MSME waste management. These findings are important because they show that sustainability has begun to enter the language of product development at the branch level. Green savings can potentially link public savings with financing activities that produce environmental benefits.

However, the evidence remains preliminary. The report does not explain the product mechanism, eligibility criteria, use-of-funds procedure, value of collected funds, portfolio allocation, or environmental impact indicators. Without such information, green savings should be understood as an early product direction rather than as a fully implemented green financial product. This distinction is essential because green products require credible documentation. A product can be called sustainable more convincingly when the bank can show how funds are channelled, which sectors qualify, how risks are screened, and how outcomes are reported.

In the context of OJK Regulation Number 51/POJK.03/2017, the development of green savings can be connected to the requirement for financial institutions to develop sustainable financial products and services. The initiative is also relevant to the Indonesia Taxonomy for Sustainable Finance, which provides a classification framework for sustainable economic activities. Nevertheless, taxonomy alignment requires evidence at the level of financed activities, not only at the level of product naming. The branch therefore needs a stronger link between the savings product, the source and use of funds, and the environmental or social outcomes of financing.

For a regional development bank, green savings may have practical advantages. It can be used to educate local customers about sustainable finance, create a visible product identity, and attract funds from customers who are concerned with environmental issues. It can also be linked to local government programmes, MSME waste-management initiatives, or small-scale renewable energy projects. Yet these advantages will be credible only if the bank can provide transparent product rules. In the absence of those rules, the initiative remains promising but incomplete.

Service Digitalisation Supports Inclusion and Efficiency

The interview data show that savings products are integrated with the digital payment ecosystem through Sulselbar Mobile Banking, QRIS, interbank transfers, and e-wallet top-up services such as OVO, DANA, and GoPay. This integration makes it easier for customers to conduct non-cash transactions and supports operational efficiency. For a regional bank branch, such digital services are valuable because customers increasingly expect quick, safe, and accessible transactions without relying entirely on physical office visits.

Digitalisation can support sustainable finance through at least three pathways. First, it can improve financial inclusion by giving customers easier access to bank services. Second, it can increase operational efficiency by reducing transaction time and improving administrative records. Third, it can strengthen governance because digital transactions leave an audit trail that can support monitoring and compliance. These pathways are consistent with the broader digital finance literature, which connects financial technology with inclusion and service efficiency (Ozili, 2018; Senyo & Osabutey, 2020; Widarwati et al., 2022).

At the same time, the study does not claim that digitalisation automatically means sustainability. The available field data do not include the number of mobile banking users, QRIS merchants, e-wallet transactions, or digital-service adoption among MSMEs. The data also do not discuss cybersecurity, consumer protection, or digital literacy. Therefore, digitalisation is interpreted as an enabling condition for sustainable finance, not as final proof of sustainable finance. A stronger claim would require transaction data and evidence that digital services increase access for underserved customers or reduce operational inefficiency in measurable ways.

The branch could strengthen this dimension by collecting and reporting simple indicators. These may include the number of active mobile banking users, monthly QRIS transactions, the number of MSME merchants using QRIS, the value of e-wallet top-ups, and customer education activities related to digital services. These indicators would allow the bank to show whether digitalisation contributes to inclusion and efficiency. They would also help future researchers evaluate whether digital banking has a substantive role in branch-level sustainable finance.

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Productive Sector Financing and MSME Potential

The field report states that credit users at Bank Sulselbar Maros Branch include civil servants, MSMEs, regional-owned enterprise employees, legislators, government contract employees, and retirees. The report also indicates that the bank has a strong role as a regional bank that supports productive-sector financing. This finding is relevant because regional banks are expected to support local economic activity, not only to provide consumer credit. MSMEs are especially important because they represent local entrepreneurship and employment opportunities.

From a sustainable finance perspective, MSME financing can contribute to local economic sustainability when it improves productivity, supports employment, strengthens community income, and helps businesses survive. However, MSME financing should not be automatically classified as green financing. A credit facility for an MSME becomes more relevant to green finance when the financed activity contributes to environmental objectives, such as waste management, energy efficiency, cleaner production, or renewable energy adoption. The interview report mentions MSME waste management as part of pilot environmentally friendly projects, but it does not provide enough detail to classify the branch portfolio as green.

This distinction has practical implications. The branch can begin by mapping its MSME portfolio. Mapping does not need to be complex in the first stage. It may classify MSME debtors by sector, business activity, potential environmental risk, and potential green contribution. For example, MSMEs involved in recycling, waste processing, organic agriculture, energy efficiency, or eco-friendly production could be identified as candidates for sustainable financing support. The bank could then examine whether these customers require working capital, investment credit, or advisory support.

The branch could also connect MSME financing with local government programmes. Regional development banks are often close to local governments, so they may be able to align financing with district-level economic and environmental priorities. If the local government promotes waste management, renewable energy, or environmentally friendly MSME clusters, the bank can design financing schemes that support these programmes. This would make sustainable finance more grounded in regional development rather than limited to corporate-level reporting.

Nevertheless, the present evidence remains limited. The report does not provide aggregate MSME credit values, sectoral distribution, non-performing loan data, or environmental eligibility criteria. It also does not show how many MSME debtors are connected to pilot green projects. Therefore, the article concludes only that there is potential for sustainable MSME financing. It does not conclude that the branch has already implemented measurable green MSME financing.

Risk Governance as the Foundation of Sustainable Finance

Sustainable finance cannot be separated from risk governance. The field report shows that the branch applies KYC and AML procedures to prevent the misuse of giro accounts and potential money laundering. It also verifies bilyet giro usage according to Bank Indonesia rules, including signature validation, validity periods, and completeness of data. In the credit process, the bank uses SLIK and applies the 5C principle consisting of character, capacity, capital, collateral, and condition of economy. The report also refers to BMPK as a regulatory limit related to credit exposure.

These practices show that the branch already has a prudential governance foundation. KYC helps the bank understand customer identity and customer profile. AML monitoring helps detect suspicious transactions. SLIK supports credit history assessment. The 5C principle helps evaluate willingness and ability to repay. BMPK helps prevent excessive concentration of credit exposure. Although these practices are not yet ESG-specific, they demonstrate that the branch has operational routines that can be expanded toward environmental and social risk assessment.

The next step is to add a simple ESG-oriented layer to the existing credit process. This can be done by incorporating questions on environmental permits, waste management, business location risk, labour practices, and potential community impacts. The branch does not need to implement a sophisticated ESG model immediately. For early-stage implementation, a checklist attached to credit documentation may be sufficient. Such a checklist can help credit officers identify which debtors require further review and which sectors have higher environmental or social risk. This finding is consistent with the idea that sustainable finance develops gradually. A branch that already applies KYC, AML, SLIK, and 5C is better prepared to adopt ESG risk procedures than a branch without basic governance routines. However, the current data do not show whether ESG criteria are formally included in the credit standard operating procedure. Therefore, risk governance is interpreted as a foundation for sustainable finance, not as evidence that environmental and social risks are already fully integrated.

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Table 2. Findings and Sustainability Meaning

Theme	Main Finding	Sustainability Meaning	Required Strengthening
Green products	Development of green savings and pilot projects for renewable energy and MSME waste management.	Shows product direction and potential green fund allocation.	Product documents, use-of-funds schemes, project criteria, and impact indicators.
Digital services	Mobile banking, QRIS, interbank transfer, and e-wallet integration.	Supports service efficiency, transaction records, and financial access.	User data, transaction data, MSME merchant data, digital literacy, and security.
Productive financing	Credit to civil servants, MSMEs, regional-owned enterprise employees, legislators, government contract employees, and retirees.	Supports local economic activity and potential sustainable MSME financing.	Separation of ordinary MSME credit and green MSME credit; sustainable-sector criteria.
Risk governance	KYC, AML, SLIK, BMPK, bilyet giro validation, and the 5C principle.	Provides a prudential foundation and entry point for ESG risk assessment.	Environmental-social risk checklist, green credit SOP, and credit officer training.

Source: Processed Data.

Theoretical Implications

The study contributes to green banking literature by placing a regional development bank branch as the unit of analysis. Many sustainability studies examine banks at the level of annual reports, corporate policies, or disclosure indices. This article shows that branch-level practice can reveal another layer of sustainable finance: the operational layer. At this level, sustainability may appear not as a complete green portfolio but as a set of early routines, product ideas, digital services, and governance procedures.

The study also reinforces the need to distinguish between early practice and full implementation. This distinction is theoretically important because sustainable finance should not be reduced to product labels or general ESG statements. The case suggests that early practice can be meaningful, but it becomes academically stronger only when supported by documentation, measurable indicators, and portfolio evidence. The concept of early sustainable finance practice therefore helps researchers analyse emerging cases without overstating the evidence.

Practical Implications

For Bank Sulselbar, the findings suggest that the sustainable finance agenda can be strengthened through steps that are close to branch operations. Green savings should be supported by a product document, use-of-funds mechanism, eligibility criteria, and impact reporting. Digital services should be accompanied by data on user adoption, transaction volume, MSME merchant participation, and customer education. MSME financing should be mapped to identify activities with potential green or sustainability value. Risk governance should be expanded by adding a simple environmental and social risk checklist to the credit process.

For regional development banks more broadly, this case suggests that sustainable finance can be localised. A regional bank does not need to copy large-bank sustainability models entirely. It can begin with its own strengths: local government relationships, MSME customer bases, branch networks, and knowledge of local economic conditions. The challenge is to transform these strengths into documented and measurable sustainable finance practices. Without documentation and measurement, sustainability remains difficult to verify.

Research Limitations

This study has several limitations. First, the main data source is one field interview report, so the depth of empirical evidence is limited. Second, the report does not provide detailed informant profiles, such as position, length of service, and decision-making authority. Third, the information on green savings, pilot environmentally friendly financing, and MSME credit is narrative and does not include quantitative data. Fourth, the study does not include internal bank documents such as sustainability reports, sustainable finance action plans, credit SOPs, or product documents.

These limitations do not make the study irrelevant, but they define the strength of its claims. The article is best understood as an exploratory study of early practice. Future research should conduct in-depth interviews with credit officers, operational staff, digital banking personnel, and risk management units. Researchers should also collect official documents and portfolio data to test whether the early indications identified in this study have developed into formal sustainable finance practices.

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Operational Strengthening Agenda

The evidence in this study suggests that the next phase of sustainable finance at branch level should focus on operational strengthening rather than on broad claims. The branch already has several useful entry points, but these entry points need to be converted into verifiable practices. The first priority is product clarification. If green savings is to become a credible sustainable financial product, the bank should prepare a written product brief explaining the purpose of the product, the target customers, the mechanism for fund allocation, the types of activities eligible for financing, and the reporting format used to communicate outcomes to customers and stakeholders.

The second priority is portfolio mapping. A regional bank branch can begin with a simple portfolio map that separates ordinary credit, MSME credit, and credit with potential sustainability attributes. This does not require sophisticated taxonomy alignment in the earliest stage. The branch can first identify customer sectors and business activities that may have environmental relevance. After that, the bank can gradually compare these activities with OJK taxonomy categories and internal risk policies. This step is useful because it helps the branch understand whether sustainable finance potential already exists within its current customer base.

The third priority is impact measurement. A green finance initiative will remain weak if it cannot show what outcomes it supports. Impact indicators can be modest and practical. For MSME waste-management financing, the branch can record the number of supported MSMEs, the type of waste handled, the approximate volume of waste processed, or the improvement in business capacity. For digital services, it can record active mobile banking users, QRIS transactions, participating MSME merchants, and non-cash transaction growth. For green savings, it can record the number of accounts, collected funds, and the proportion of funds linked to eligible activities.

The fourth priority is staff capacity. Branch officers play an important role because they interact with customers, explain products, collect documents, and monitor credit. If officers do not understand sustainable finance, green products may remain promotional rather than operational. Short training modules can be developed on green banking concepts, OJK sustainable finance requirements, customer education, greenwashing risks, and environmental-social risk screening. Such training can be practical and connected directly to daily tasks rather than presented as abstract ESG theory.

The fifth priority is coordination between branch and head office. A branch cannot independently define all sustainable finance policies because product approval, risk policy, reporting format, and portfolio classification are usually controlled at higher organisational levels. However, the branch can become a source of local information. It can report customer needs, identify potential green MSMEs, document obstacles in credit screening, and propose practical indicators. In this sense, branch-level sustainable finance is not only implementation from above but also feedback from below.

Position of the Case within Sustainable Finance Regulation

The case also shows that regulatory alignment should be translated into branch-level routines. OJK sustainable finance regulation gives a broad direction for financial institutions, but implementation becomes meaningful only when the direction is connected with products, procedures, and records used by officers. For example, a sustainable finance action plan at head-office level may describe strategic commitments, but branch officers still need practical guidance on which customers may qualify for green financing, what documents must be collected, and how environmental or social risks are noted in credit files.

This translation process is important because regional branches usually face local customers with heterogeneous characteristics. Some customers are civil servants with payroll-based credit, some are MSME owners with limited documents, and others are local institutions requiring payment services. A uniform corporate policy may not capture these differences. Branch-level interpretation is therefore needed to ensure that sustainable finance is not merely a compliance document but a working approach that fits local economic structures.

The Maros case indicates that the branch already has contact points with relevant local actors, especially MSMEs and public-sector customers. These contact points can be used for education and data collection. For instance, when customers apply for credit, the branch can introduce basic questions on business activity, waste handling, energy use, and local permits. When customers use digital services, the branch can record whether digital payment adoption helps MSMEs reach buyers and reduce cash-management constraints. Such small data points can later become the foundation for more systematic sustainable finance reporting.

A careful regulatory position also reduces greenwashing risk. Greenwashing may occur when sustainability claims are stronger than the evidence available. In this article, the concept of early practice is used to avoid that problem. The branch has signs of sustainable finance, but these signs should be strengthened before being presented as full implementation. This cautious position is useful for academic writing and for managerial practice because it encourages improvement without overstating achievement.

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Table 3. Practical Strengthening Agenda

Current Entry Point	Main Gap	Recommended Action	Possible Indicator
Green savings	No detailed product mechanism or fund-use explanation in the available data.	Prepare product documentation, eligibility criteria, and customer-facing explanation.	Number of accounts, collected funds, and percentage linked to eligible green activities.
Pilot green financing	Project types are mentioned, but financing value and environmental outcomes are not reported.	Map pilot projects and align them gradually with sustainable activity criteria.	Project value, sector, expected environmental benefit, and monitoring status.
Digital services	Digital channels are available, but adoption data are absent.	Collect branch-level data on mobile banking, QRIS, and e-wallet use.	Active users, QRIS merchants, transaction value, and transaction frequency.
MSME financing	MSME credit is not yet separated from green MSME credit.	Classify MSME debtors by sector, environmental relevance, and sustainability potential.	Number of MSMEs with green potential and value of financing by sector.
Risk governance	KYC, AML, SLIK, BMPK, and 5C are applied, but ESG risk is not explicit.	Add a simple environmental-social risk checklist to credit assessment.	Completed checklists, flagged risk cases, and follow-up actions.

Source: Processed Data.

CONCLUSION

This study concludes that early sustainable finance practices at Bank Sulselbar Maros Branch are visible through four main dimensions. First, the development of green savings and pilot environmentally friendly financing indicates an initial ESG orientation and the potential for green financial products. Second, digital services through mobile banking, QRIS, interbank transfers, and e-wallet integration support transaction efficiency and access to financial services. Third, productive-sector financing, including credit to MSMEs, reflects the branch role in supporting the local economy, although the evidence is not sufficient to classify MSME financing as green financing. Fourth, the application of KYC, AML, SLIK, BMPK, bilyet giro validation, and the 5C principle provides a prudential risk governance foundation that can be expanded toward environmental and social risk assessment.

Overall, the practices identified in the branch remain at the initiation stage. The available evidence does not yet support a claim of full sustainable finance implementation because the study did not find product documents, green portfolio data, environmental impact indicators, or explicit ESG risk procedures. Therefore, the phrase early sustainable finance practices is the most appropriate academic position. The findings indicate that a regional development bank branch can become a meaningful starting point for sustainable finance when its operational routines are connected with stronger documentation, portfolio mapping, and impact measurement.

The study recommends that Bank Sulselbar strengthen green savings with clear product mechanisms, fund allocation criteria, and impact reporting. The branch should also map MSME portfolios that may qualify for sustainable financing, especially in activities related to waste management, energy efficiency, and environmentally friendly production. In the credit process, a simple environmental and social risk checklist can be added to complement the 5C principle. Future researchers should use additional interviews, official documents, and quantitative portfolio data so that branch-level sustainable finance can be assessed more rigorously.

At the managerial level, the most urgent recommendation is to convert sustainability intentions into operational evidence. Green savings should be accompanied by an internal product note and a customer-facing explanation so that customers understand how their funds may contribute to sustainable activities. Pilot financing should be recorded in a simple monitoring sheet containing debtor sector, financing purpose, environmental relevance, financing value, and expected impact. This form of documentation will help the bank distinguish between ordinary banking practice and sustainable finance practice.

At the branch level, digitalisation should be developed not only as a convenience service but also as a source of inclusion data. The branch can record the number of active mobile banking users, QRIS transactions, and MSME merchants adopting digital payments. These data will allow management to evaluate whether digital services are reaching productive customers and whether they reduce transaction barriers. In addition, customer education is important because digital access without literacy may create new risks for customers who are unfamiliar with electronic transactions.

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At the policy level, head office and branch coordination is needed to make sustainable finance consistent. The branch can provide local information, while the head office can provide product standards, risk procedures, and reporting formats. This relationship is important because sustainable finance will be more credible when local observations are connected with institutional policy. A regional development bank can use this approach to make sustainability more relevant to regional economic priorities rather than treating it as a general compliance requirement.

The findings also offer an agenda for future academic work. Subsequent studies can compare several branches, examine differences between urban and district branches, or combine qualitative interviews with credit portfolio data. A mixed-method study would be especially useful because it could connect branch narratives with measurable indicators such as green financing value, MSME sector composition, digital transaction growth, and non-performing loan ratios. Such research would provide stronger evidence on whether early sustainable finance practices can develop into systematic implementation.

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