

The Prudential Principle under Indonesian Banking Law: Its Implementation and Credit Compliance at BPR Barelang Mandiri in Batam City

Julia Cantika Cahyawati^{1*}, Agustianto², Shenti Agustini³

^{1,2,3} Faculty of Law, Universitas Internasional Batam

*Correspondence: 2351097.julia@uib.edu

Received: 15 August 2026

Accepted: 08 September 2026

Published: 21 September 2026

Abstrak

Prinsip kehati-hatian merupakan dasar hukum utama dalam perkreditan perbankan untuk menjaga kualitas aset, melindungi dana masyarakat, dan mendukung stabilitas sistem keuangan. Penelitian ini menganalisis pengaturan prinsip kehati-hatian dalam penyaluran kredit oleh Bank Perekonomian Rakyat (BPR) serta implementasinya terhadap kepatuhan kredit di BPR Barelang Mandiri, Kota Batam. Penelitian hukum empiris ini menggunakan pendekatan perundang-undangan dan kasus. Data primer diperoleh melalui wawancara dengan personel pemasaran, manajemen risiko, penilaian agunan, dan penagihan; data sekunder diperoleh dari peraturan perundang-undangan, literatur, dan laporan publikasi bank. Analisis dilakukan secara deskriptif kualitatif dengan teori sistem hukum Lawrence M. Friedman. Hasil penelitian menunjukkan bahwa prinsip kehati-hatian telah diterjemahkan ke dalam analisis 5C, verifikasi dokumen dan riwayat kredit, penilaian agunan yang terpisah, kewenangan persetujuan berjenjang, pembatasan eksposur, dan pemantauan pascapencairan. Meskipun kepatuhan prosedural telah terbentuk, rasio NPL bruto sebesar 12,85 persen pada Maret 2026 menunjukkan bahwa efektivitas substantif pengendalian risiko masih perlu diperkuat. Penguatan terutama diperlukan pada penilaian karakter dan kapasitas debitur, pemantauan kredit produktif, independensi antarunit, dan dokumentasi penanganan kredit bermasalah.

Kata Kunci: Prinsip Kehati-hatian; Bank Perekonomian Rakyat; Hukum Perbankan; Penyaluran Kredit; Kepatuhan Kredit.

Abstract

The prudential principle is a central legal foundation of bank lending because it protects asset quality, depositors' funds, and financial-system stability. This study examines the legal framework governing prudential lending by rural banks (Bank Perekonomian Rakyat, BPR) and evaluates its implementation in credit compliance at BPR Barelang Mandiri in Batam City. It employs empirical legal research using statutory and case approaches. Primary data were obtained through interviews with personnel in marketing, risk management, collateral appraisal, and collections; secondary data were drawn from legislation, scholarship, and the bank's public financial report. The data were analyzed descriptively and qualitatively through Lawrence M. Friedman's legal system theory. The findings show that the bank translates prudential duties into 5C analysis, document and credit-history verification, functionally separate collateral appraisal, tiered approval, exposure limits, and post-

disbursement monitoring. Yet a gross non-performing-loan ratio of 12.85 percent in March 2026 demonstrates a material gap between procedural compliance and the substantive effectiveness of credit-risk control. Stronger assessment of borrower character and capacity, closer monitoring of productive loans, continued inter-unit independence, and more systematic documentation of remedial action are therefore required.

Keywords: Prudential Principle; Rural Bank; Banking Law; Credit Disbursement; Credit Compliance.

INTRODUCTION

Banking occupies a strategic position in Indonesia's economy because it channels savings into productive activity, supports employment, and helps preserve the stability of the financial system.¹ This intermediation function is constitutionally situated within the economic democracy mandated by Article 33(4) of the 1945 Constitution, which emphasizes togetherness, equitable efficiency, sustainability, and economic independence.² Because a bank lends funds that largely originate from the public, its pursuit of growth cannot be separated from the duty to identify, measure, monitor, and control risk. Indonesian banking law expresses that duty through the prudential principle: the requirement that banking business be conducted carefully, responsibly, and in accordance with law.³ The principle therefore operates not as a vague aspiration but as the legal discipline that connects a bank's commercial decisions with depositor protection and systemic stability.

The obligation applies to every bank, including a rural bank (Bank Perekonomian Rakyat, BPR). A BPR has a more limited business scope than a commercial bank and does not provide payment-traffic services, but it performs a vital function for households, micro-enterprises, and small and medium-sized enterprises that may have limited access to conventional financing. The Banking Law places prudence at the foundation of Indonesian banking and requires banks to maintain their soundness and conduct business without harming the bank or its customers.⁴ The Financial Sector Development and Strengthening Law, including its 2026 amendment, further reinforces governance, consumer protection, institutional resilience, and financial-system stability.⁵ These general duties are complemented by the Financial Services Authority's 2024 regulation on BPRs and

¹ Nikmah Dalimunthe and Nanda Kurniawan Lubis, "Peran Lembaga Perbankan terhadap Pembangunan Ekonomi: Fungsi dan Tujuannya dalam Menyokong Ketenagakerjaan," *Jurnal Masharif Al-Syariah: Jurnal Ekonomi dan Perbankan Syariah* 8, no. 4 (2023): 956-963, <https://doi.org/10.30651/jms.v8i4.20997>.

² Republic of Indonesia, *1945 Constitution of the Republic of Indonesia*, art. 33(4).

³ A. Hanum, F. Fithriyatirrizqoh, and B. Baidhowi, "Analisis Yuridis Pengawasan Otoritas Jasa Keuangan terhadap Penerapan Asas Kehati-Hatian oleh Lembaga Perbankan Digital," *Jurnal Ilmiah Penelitian Mahasiswa* 3, no. 3 (2025): 454-463, <https://ejurnal.kampusakademik.my.id/index.php/jipm/article/view/967>.

⁴ Republic of Indonesia, Law Number 7 of 1992 concerning Banking, as amended by Law Number 10 of 1998 and Law Number 4 of 2023, arts. 2, 29(2), and 29(3).

⁵ Republic of Indonesia, Law Number 4 of 2023 concerning Financial Sector Development and Strengthening, as amended by Law Number 4 of 2026.

Sharia BPRs.⁶ Together, these rules place credit growth within a framework of accountable governance rather than treating loan volume as an end in itself.

Batam presents an especially relevant setting for examining that framework. The city is a major trade and industrial center in the Riau Islands and is served by numerous financial institutions, including BPRs. Credit to micro, small, and medium-sized enterprises in the province reached Rp14.39 trillion in the first half of 2025, representing year-on-year growth of 14.6 percent.⁷ Rapid expansion can widen access to finance, but it also heightens the importance of disciplined underwriting and monitoring. A 2024 report placed the province's gross non-performing-loan ratio at approximately 3.84 percent.⁸ That earlier provincial figure is not a same-period benchmark for the case-study bank; it is used here only as contextual evidence that asset quality had already become a matter of concern before the March 2026 data examined below.

In practice, the prudential principle can expose a gap between law in books and law in action. Articles 2 and 29(2) of the Banking Law oblige banks to operate prudently, while the BPR risk-management regulation requires an effective process of risk identification, measurement, monitoring, and control.⁹ Nonetheless, lending institutions may face pressure to meet disbursement targets, incomplete borrower information, uncertain business cash flows, or weak follow-up after disbursement. Scholarship accordingly warns that merely having credit procedures does not establish effective prudence when feasibility analysis is incomplete or risk controls are not consistently performed.¹⁰ Prudential implementation must therefore be evaluated by both the process used to approve and administer a loan and the quality of the resulting portfolio.

This study uses the term credit compliance to describe the bank's observable adherence to statutory duties, regulatory standards, and its own lawful procedures throughout the credit cycle. It includes borrower screening, document verification, collateral appraisal, exposure control, approval, use-of-funds monitoring, assessment of repayment capacity, and proportionate remedial action. Compliance is thus not exhausted by a signed checklist. A bank may be procedurally compliant yet still need to improve the substantive effectiveness of its controls when arrears and non-performing loans remain elevated. Conversely, an adverse outcome in an individual loan does not by itself prove legal non-compliance, because credit risk cannot be eliminated altogether. The appropriate inquiry is whether the bank's

⁶ Financial Services Authority, Regulation Number 7 of 2024 concerning Rural Banks and Sharia Rural Banks.

⁷ Amandine Nadja, "OJK Kepri Catat Kredit UMKM Tumbuh 14,6 Persen pada Semester I 2025," *ANTARA*, September 27, 2025, <https://www.antaranews.com/berita/5137861/ojk-kepri-catat-kredit-umkm-tumbuh-146-persen-pada-semester-i-2025>.

⁸ Putut ATP, "Potensi Kredit Macet di Kepri Tinggi," *Batam Pos*, 2024, <https://metropolis.batampos.co.id/potensi-kredit-macet-di-kepri-tinggi/>.

⁹ Financial Services Authority, Regulation Number 13/POJK.03/2015 concerning the Implementation of Risk Management for Rural Banks, arts. 2, 12-14.

¹⁰ Baidhowi, R. Ramadhani, and S. W. Yudhayana, "Implementasi Prinsip Kehati-hatian dalam Praktik Kredit Perbankan: Tinjauan Yuridis terhadap Tanggung Jawab Bank," *PENG: Jurnal Ekonomi dan Manajemen* 2, no. 3 (2025): 3407-3416, <https://doi.org/10.62710/gmcqnv91>.

decision-making and controls are reasonable, evidence-based, continuous, and capable of responding to changing risk.¹¹

Earlier studies have established the doctrinal importance of prudence but have usually emphasized normative analysis. Dewi links violations of prudential duties to administrative and criminal consequences and discusses rescheduling, reconditioning, and restructuring as responses to troubled credit.¹² Meher explains the use of the 5P and 5C frameworks and the availability of both non-litigation and litigation routes.¹³ Budiman and Supianto provide a broader account of credit policy, legal lending limits, asset-quality assessment, and collateral requirements.¹⁴ These studies clarify what banks ought to do, but they provide less evidence about how front-line personnel reconcile formal requirements with incomplete financial records, local collateral conditions, approval hierarchies, and borrower behavior in day-to-day BPR lending.

More operational research identifies additional unresolved questions. Ridha and colleagues note that manual data and processes may amplify human error in credit assessment.¹⁵ Akbar, Midu, and Rumimpunu emphasize the preventive role of the 5C analysis and the remedial sequence of rescheduling, reconditioning, and restructuring, while raising the practical question of when a bank may move toward collateral enforcement against an uncooperative debtor.¹⁶ These issues show why an empirical account is necessary: legal effectiveness depends on the quality of the institutional structure and on the conduct of bank employees and borrowers, not solely on the completeness of the written rules.

The novelty of this study lies in its institution-specific empirical analysis of BPR Barelang Mandiri. It examines how personnel directly involved in lending understand and apply prudential requirements from initial screening through collection, and it tests those accounts against the bank's published portfolio data. The analysis is organized around Lawrence M. Friedman's three elements of a legal system: legal substance, comprising applicable norms and rules; legal structure, comprising the institutions, roles, and enforcement mechanisms through which those rules operate; and legal culture, comprising the attitudes and patterns of

¹¹ L. Shaqinah and T. Kartini, "Analisis Manajemen Risiko dalam Mencegah Kredit Macet," *EKOMA: Jurnal Ekonomi* 3, no. 6 (2024): 2989-2996, <https://ulilalbabbinstitute.co.id/index.php/EKOMA/article/view/9843/7184>.

¹² E. D. P. Dewi, "Application of the Prudential Principle in Giving Banking Kredit," *Journal of Law, Politic and Humanities* 5, no. 5 (2025): 3537-3544, <https://dinastires.org/JLPH/article/view/1755>.

¹³ Montayana Meher, "Tinjauan Yuridis terhadap Penerapan Prinsip Kehati-Hatian oleh Bank dalam Memberikan Kredit," *Journal of Education, Humaniora and Social Sciences* 5, no. 4 (2023): 3354-3360, <https://doi.org/10.34007/jehss.v5i4.1772>.

¹⁴ N. T. Budiman and Supianto, "Penerapan Kebijakan tentang Prinsip Kehati-Hatian dalam Pemberian Kredit Perbankan," *Widya Yuridika: Jurnal Hukum* 3, no. 2 (2020): 327-342, <https://doi.org/10.31328/wy.v3i2.1703>.

¹⁵ I. Ridha et al., "Implementasi Prinsip Kehati-Hatian (Prudential Principles) dalam Hukum Perkreditan," *Civilia: Jurnal Kajian Hukum dan Pendidikan Kewarganegaraan* 3, no. 2 (2024): 448-458, <https://jurnal.anfa.co.id/index.php/civilia/article/download/2623/2381/8158>.

¹⁶ Z. K. Akbar, S. Midu, and D. Rumimpunu, "Penerapan Prinsip Kehati-Hatian Bank Guna Mencegah Kredit Macet," *Lex Privatum* 10, no. 4 (2022), <https://ejournal.unsrat.ac.id/index.php/lexprivatum/article/view/42437>.

conduct that determine whether actors internalize and follow them.¹⁷ The framework is useful because it avoids equating formal regulation with effective implementation.

Accordingly, this article addresses two questions. First, how does Indonesian banking law regulate the prudential principle in BPR lending? Second, how has BPR Barelang Mandiri implemented that principle in relation to credit compliance? It aims to clarify the principle's legal position and to evaluate whether the bank's procedures, institutional arrangements, and working culture produce effective risk control. The study is limited to one BPR and cannot be generalized mechanically to every Indonesian bank. Interview evidence is also shaped by respondents' roles and perceptions. Its value lies instead in a detailed account of the relationship between a comprehensive legal framework, the bank's operational practices, and the portfolio outcomes observable at a defined point in time.

The change in statutory terminology from *Bank Perkreditan Rakyat* to *Bank Perekonomian Rakyat* is more than a linguistic detail. It reflects the sector's continuing place in local economic intermediation while leaving intact the need for disciplined risk governance. The legal definition and limited service scope of a BPR do not authorize a lower standard of care. Earlier doctrinal work emphasizes that the duty of prudence applies to BPR lending precisely because deposit-funded intermediation depends on public confidence.¹⁸ Studies of BPR profitability also show that asset quality and non-performing loans materially affect institutional performance, making prudential compliance inseparable from the bank's sustainability.¹⁹

For analytical clarity, this study distinguishes compliance, effectiveness, and outcome. Compliance asks whether the institution follows legally adequate processes and limits. Effectiveness asks whether those controls identify and mitigate the risks for which they were designed. Outcome refers to the actual performance of the portfolio. The concepts overlap but are not identical. A deteriorating loan may result from an unforeseeable shock despite prudent origination, while a performing loan may have been approved through an inadequate process. A bank should therefore be assessed through converging evidence: procedure, institutional independence, documented reasoning, exposure data, monitoring, and results over time. This distinction prevents the NPL ratio from being treated either as conclusive proof of illegality or as irrelevant to prudential evaluation.

The inquiry is also attentive to proportionality. BPR borrowers frequently include micro-entrepreneurs who keep simple books, receive cash income, or own locally distinctive forms of collateral. Prudence cannot mean automatically

¹⁷ Lawrence M. Friedman, *The Legal System: A Social Science Perspective* (New York: Russell Sage Foundation, 1975).

¹⁸ J. J. F. Johannis, A. H. Pondaag, and O. A. Kereh, "Kajian Yuridis Prinsip Kehati-Hatian dalam Pemberian Kredit Menurut Undang-Undang Nomor 10 Tahun 1998 tentang Perbankan," *Lex Privatum* 8 (2020): 180-189, <https://ejournal.unsrat.ac.id/index.php/lexprivatum/article/view/30981>.

¹⁹ Hari Yunan Prihatinto and Pompong B. Setiadi, "Pengaruh Loan to Deposit Ratio (LDR) dan Non Performing Loan (NPL) terhadap Profitabilitas pada Bank Perkreditan Rakyat (BPR) di Kabupaten Sidoarjo, Jawa Timur Tahun 2019-2021," *Cakrawala* 6, no. 2 (2023): 934-941, <https://doi.org/10.52851/cakrawala.v6i2.281>.

excluding such applicants, because that would defeat the BPR's intermediation role. Nor may financial inclusion justify unverifiable lending. The appropriate response is to adapt the evidence using site observation, transaction history, simple cash-flow reconstruction, references, and conservative assumptions while maintaining the same legal objective: a rational basis for confidence in repayment. The case study thus evaluates whether operational flexibility remains bounded by reliable verification and accountable decision-making.

RESEARCH METHOD

This study applies empirical legal research because it evaluates how legal norms operate within an actual lending institution rather than examining legislation in isolation. Empirical legal research is particularly suited to identifying the effectiveness and limitations of law as implemented by institutional actors.²⁰ The statutory approach was used to analyze the Banking Law, the Financial Sector Development and Strengthening Law, the BPR institutional regulation, the BPR risk-management regulation, and the regulation governing the Legal Lending Limit (Batas Maksimum Pemberian Kredit, BMPK). A case approach was used to examine the workflow, decisions, and portfolio outcomes of BPR Bareleng Mandiri.

Primary data came from semi-structured interviews with Iin Surbakti, a marketing staff member; Andreas Marti Oscar, Head of the Risk Management Division; Akbar, an appraiser; and Yosia, a collection officer. The interview with Oscar took place in Batam on May 8, 2026; interviews with Iin Surbakti, Akbar, and Yosia took place in Batam on August 13, 2026. Secondary data consisted of legislation, scholarly literature, internal-practice descriptions supplied by respondents, and BPR Bareleng Mandiri's quarterly public report for March 2026. The material was analyzed descriptively and qualitatively by comparing normative requirements with the bank's reported procedures and outcomes.²¹ Statutory analysis in this final text reflects the law in force on September 17, 2026, including the 2026 amendment to the Financial Sector Development and Strengthening Law; the empirical evidence remains fixed to the March-August 2026 research period.

RESULTS AND DISCUSSION

Legal Regulation of the Prudential Principle in BPR Lending

Friedman's framework reveals that prudential lending is produced by the interaction of substance, structure, and culture. Substance defines the applicable duties and limits. Structure allocates responsibility among the Financial Services Authority (Otoritas Jasa Keuangan, OJK), the Deposit Insurance Corporation, bank organs, credit officers, risk-management personnel, and internal control functions. Culture concerns whether those actors regard careful, evidence-based decision-making as an operational norm.²² A formally complete rule may have little effect if the institution lacks independent appraisal, reliable information, monitoring, or a

²⁰ Hari Sutra Disemadi, "Lenses of Legal Research: A Descriptive Essay on Legal Research Methodologies," *Journal of Judicial Review* 24, no. 2 (2022): 289-304, <https://doi.org/10.37253/jjr.v24i2.7280>.

²¹ D. Tan, "Metode Penelitian Hukum: Mengupas dan Mengulas Metodologi dalam Menyelenggarakan Penelitian Hukum," *Nusantara: Jurnal Ilmu Pengetahuan Sosial* 8, no. 8 (2021): 2463-2478, <https://jurnal.um-tapsel.ac.id/index.php/nusantara/article/view/5601>.

²² Friedman, *The Legal System*.

willingness to reject unsuitable applications. Equally, prudent habits need a clear legal foundation so that discretion remains accountable and consistently applied.

As legal substance, prudence is expressly embedded in Article 2 of the Banking Law, while Article 29 requires banks to preserve soundness and conduct their activities prudently.²³ A BPR remains fully subject to those duties despite its narrower operational scope. The trust placed in a bank by depositors is therefore legally structured: management must not pursue lending income without assessing the corresponding risk to repayment, liquidity, and capital. The financial intermediation function is sustainable only when credit is extended within measurable and accountable limits.²⁴ Prudence consequently binds the entire credit cycle, not merely the moment at which an application is approved.

Article 8(1) of the Banking Law gives that general principle a concrete underwriting requirement. Before granting credit, a bank must have confidence, founded on in-depth analysis, in the debtor's good faith and ability to repay in accordance with the agreement.²⁵ The provision rejects decisions based solely on familiarity, unsupported assurances, or the apparent value of collateral. Trust must be rationally constructed from verifiable information. In practice, this is commonly operationalized through the 5C assessment: character, capacity, capital, collateral, and condition of economy.²⁶ The framework integrates personal conduct, cash-flow capacity, the borrower's own financial stake, secondary repayment support, and external business conditions.²⁷

Character concerns honesty, repayment intention, and prior conduct; capacity concerns the ability of the borrower or business to generate cash for scheduled payments; capital concerns financial resilience and the borrower's contribution; collateral supplies secondary protection; and condition of economy tests the sensitivity of repayment prospects to market and sectoral change.²⁸ None should be treated as a substitute for the others. A high collateral value cannot cure an implausible cash flow, while regular income does not remove the need to investigate identity and credit history. Feasibility analysis is therefore a substantive control rather than an administrative ritual, and a loan should proceed only when the combined evidence supports a responsible credit judgment.²⁹

²³ Banking Law, arts. 2 and 29.

²⁴ G. M. M. H. Gozali, J. Az-zahra, and N. S. Azzahra, "Analisis Kegiatan Bank dalam Penyaluran Kredit Bermasalah: Studi Kasus Gagal Bayar Kredit di PT Bank Century Tbk," *Scripta Economica: Journal of Economics, Management, and Accounting* 1, no. 3 (2026): 7-15, <https://doi.org/10.65310/87v1yd46>.

²⁵ Banking Law, art. 8(1).

²⁶ F. S. Rahayu, S. Samsiah, and H. T. Hinggo, "Analisis Prinsip 5C dan 7P dalam Pemberian Kredit untuk Meminimalisir Kredit Bermasalah dan Meningkatkan Profitabilitas: Studi Kasus pada Swamitra Pekanbaru," *Seminar Nasional Ekonomi Bisnis dan Akuntansi* 1 (2021): 20-27, <https://ejurnal.umri.ac.id/index.php/sneba/article/view/2653>.

²⁷ Wenny Djuarni and Rita Ratnasari, "Implementasi Prinsip 5C dalam Menentukan Kelayakan Pemberian Kredit pada Nasabah," *Ar-Rihlah: Jurnal Keuangan dan Perbankan Syariah* 2, no. 2 (2022): 99-113, <https://doi.org/10.35194/arps.v2i2.2626>.

²⁸ Yusti Eka Putri, Halmi, Ika Irmawati, and Salmah Harun, "Analisis Kelayakan Kredit Calon Debitur sebagai Dasar dalam Pengambilan Keputusan Pemberian Kredit Usaha Rakyat," *AKSIOMA: Jurnal Sains Ekonomi dan Edukasi* 1, no. 12 (2024): 964-975, <https://doi.org/10.62335/x13tfb66>.

²⁹ Elfin, T. H. Amaliah, and H. Taan, "Analisis Kelayakan Pemberian Dana Kredit Usaha Rakyat (KUR) dalam Mengantisipasi Terjadinya Kredit Bermasalah pada Perbankan," *Jambura Accounting Review* 6, no. 1 (2025): 261-270, <https://doi.org/10.37905/jar.v6i1.162>.

Collateral has a defined but secondary legal function. Article 1(23) of the Banking Law describes it as an additional security delivered in connection with credit or financing.³⁰ The primary basis for lending remains the bank's confidence in the debtor's willingness and capacity to perform.³¹ A prudent appraisal must nevertheless verify title, physical condition, economic value, marketability, insurance where appropriate, and the practical possibility of enforcement.³² An inflated or legally defective valuation distorts both the approval decision and the bank's expected recovery if default occurs. Functional separation between marketing, credit analysis, and appraisal is therefore an important structural safeguard against optimism or pressure generated by disbursement targets.

Document verification supports the same purpose. Depending on the facility, a bank may need identity records, family documentation, salary slips, account statements, business permits or records, tax information, and evidence of collateral ownership. These materials must be tested against the borrower's actual circumstances through interviews, external information, and field visits where needed.³³ Research on credit procedures underscores that document completeness and credit-history checks should be combined with direct verification, especially when income is informal or business records are simple.³⁴ OJK's Financial Information Services System (Sistem Layanan Informasi Keuangan, SLIK), including the debtor-information report known as iDeb, gives the bank an important but not infallible view of prior facilities and payment performance.

Prudence also operates at portfolio level. Article 11 of the Banking Law authorizes restrictions on lending to individual borrowers, connected borrower groups, and related parties.³⁵ OJK Regulation Number 23/POJK.03/2022 requires BPRs to observe the BMPK and prohibits credit that causes a breach. It limits total exposure to all related parties to 10 percent of BPR capital, exposure to one unrelated borrower to 20 percent, and exposure to one unrelated borrower group to 30 percent.³⁶ These caps prevent a single default or connected group from

³⁰ Banking Law, art. 1(23).

³¹ R. R. Dara, J. N. Orpa, and Y. M. Y. Jacob, "Analisis Yuridis terhadap Perjanjian Kredit Tanpa Agunan sebagai Salah Satu Alternatif Pendanaan UMKM di Indonesia," *Petitum Law Journal* 2, no. 2 (2025): 429-443, <https://doi.org/10.35508/pelana.v2i2.18783>.

³² R. Yanto, "Implementasi Penerapan Pengaturan Bank dengan Prinsip Kehati-Hatian (Prudent Banking) di Indonesia," *Global Intellectual Community of Indonesia Journal* 2, no. 1 (2025): 21-27, <https://journal.stiegici.ac.id/index.php/gici/article/view/346>.

³³ S. D. Natasa, "Analisis Prosedur Pemberian Kredit, Penerapan Analisis Kredit, dan Tantangan dalam Pelaksanaannya pada Bank Pembangunan Daerah," *Integrative Perspectives of Social and Science Journal* 3, no. 2 (2026): 1242-1252, <https://ipssj.com/index.php/ojs/article/view/1242>.

³⁴ I. A. Rahmi and H. Khotmi, "Pengendalian Risiko Pemberian Kredit Modal Kerja pada PT BPR NTB (Perseroda) Cabang Gunungsari," *Jurnal Praktik Akuntansi dan Bisnis* 1, no. 4 (2026): 853-867, <https://jurnal.fe.unram.ac.id/index.php/prakbis>.

³⁵ Banking Law, art. 11.

³⁶ Financial Services Authority, Regulation Number 23/POJK.03/2022 concerning the Legal Lending Limit for Rural Banks and the Maximum Fund Distribution Limit for Sharia Rural Banks, arts. 2-3, 6(1), and 11(2)-(3).

jeopardizing the bank.³⁷ Scholarship likewise identifies the BMPK as a prudential mechanism for diversification, depositor protection, and institutional soundness.³⁸

Legal structure is reinforced by risk management and internal control. OJK Regulation Number 13/POJK.03/2015 requires BPRs to establish policies, procedures, risk limits, monitoring, controls, and an internal-control system proportionate to their business.³⁹ Internal controls must detect weaknesses and deviations promptly and support compliance with legislation. This makes the allocation of duties legally significant: marketing may originate a loan, but the same commercial interest should not determine every aspect of analysis, valuation, approval, and subsequent review. An effective structure creates checks among units, records reasons for exceptions, and escalates higher-risk decisions to the appropriate authority.⁴⁰

Protection extends beyond the borrower-bank relationship. Article 37B of the Banking Law requires banks to insure public deposits⁴¹, and the Deposit Insurance Corporation Law establishes the institutional framework through which eligible deposits are protected.⁴² The Financial Sector Development and Strengthening Law also places consumer protection and financial-system resilience among the objectives of sectoral reform.⁴³ Prudential lending is therefore a form of layered protection: sound underwriting protects the bank's assets, concentration limits protect capital, deposit insurance protects eligible depositors, and supervision protects confidence in the system.

Prudence continues after disbursement. Monitoring should determine whether funds are used for the approved purpose, whether the debtor's business and cash flow remain viable, and whether early signs of distress require intervention. Weak post-credit supervision can allow manageable arrears to become entrenched non-performing loans, reducing profitability and absorbing loss provisions.⁴⁴ Regular contact, site visits, payment reminders, and current financial information help the bank identify deterioration early.⁴⁵ A culture of prudence also

³⁷ K. Ajibroto, N. Azizah, and R. Fauzany, "Analisis Batas Maksimum Pemberian Kredit (BMPK) atas Perubahan Struktur Modal terhadap Penurunan Non Performing Loan (NPL) pada PT BPR Arthaguna Mandiri," *Innovative: Journal of Social Science Research* 1, no. 2 (2021): 370-376, <https://doi.org/10.31004/innovative.v1i2.3043>.

³⁸ Meirina Dewi Pratiwi and Erniwati, "Pengaturan Hukum Prudential Banking Principle terhadap Batas Maksimum Pemberian Kredit," *Jurnal Rechten: Riset Hukum dan Hak Asasi Manusia* 7, no. 3 (2025): 1-13, <https://doi.org/10.52005/rechten.v7i3.228>.

³⁹ OJK Regulation Number 13/POJK.03/2015, arts. 2 and 12-14.

⁴⁰ A. R. Agma, "Peran Manajemen Risiko dalam Menjaga Stabilitas Keuangan Perbankan di Indonesia," *Jurnal Manajemen Indonesia* 1, no. 1 (2025): 8-14, <https://ejournal.samudrailmu.com/index.php/jmi/article/view/36>.

⁴¹ Banking Law, art. 37B.

⁴² Republic of Indonesia, Law Number 24 of 2004 concerning the Deposit Insurance Corporation, as amended.

⁴³ Financial Sector Development and Strengthening Law.

⁴⁴ R. Usriyati, N. Priyono, and N. A. Khabibah, "Penanganan Kredit Bermasalah (Non Performing Loan) pada PT BPR BKK Muntilan (Perseroda)," *Akuntansi dan Manajemen* 17, no. 1 (2022): 60-71, <https://doi.org/10.30630/jam.v17i1.176>.

⁴⁵ I. G. N. O. Ariwangsa and K. K. Dewi, "Pengelolaan Kualitas Kredit dan Upaya Pencegahan Kredit Bermasalah di PT BPR Mitra Bali Srisedana Mandiri," *E-Dimas: Jurnal Pengabdian kepada Masyarakat* 15, no. 4 (2024): 679-683, <https://doi.org/10.26877/e-dimas.v15i4.16610>.

favors proportionate engagement with distressed borrowers before enforcement⁴⁶, provided that any accommodation rests on credible repayment prospects and does not conceal the true quality of the exposure.⁴⁷

The framework is backed by enforcement. Articles 49 and 50 of the Banking Law impose criminal consequences for specified misconduct, including deliberate failures by affiliated parties to ensure bank compliance, while Article 52 provides for administrative sanctions.⁴⁸ Sanctions should not be read as replacing preventive governance; they supply the final layer of accountability when prudential obligations are ignored. Taken together, the rules form a coherent system: borrower analysis and collateral verification govern the loan-level decision; BMPK limits govern concentration; risk-management and internal-control rules govern institutional process; monitoring governs the continuing relationship; and supervisory or penal consequences support compliance.

The rules also depend on a culture of justified trust. Credit is legally premised on confidence that the debtor will perform, but confidence in banking law is not a personal intuition. It must emerge from an institutional process capable of being explained and reviewed. Research on Indonesian credit regulation describes this relationship as one in which the bank's trust is disciplined by verification of the applicant's identity, business, repayment ability, and security.⁴⁹ When employees regard documentation as a formality or defer to personal connections, the culture undermines the substance of Article 8. When they use evidence to challenge assumptions and record why an application is accepted, reduced, conditioned, or rejected, culture reinforces both legal substance and institutional structure.

The same systemic logic governs classification and remediation. A high NPL ratio can reduce income, require greater provisioning, constrain new lending, and weaken public confidence.⁵⁰ Timely classification is therefore not merely an accounting exercise; it enables the institution to allocate responsibility and take proportionate action. Early-stage arrears may justify contact and closer review, credible temporary distress may justify restructuring, and persistent default may require recovery or enforcement. Prudence requires the bank to recognize each stage accurately. Delaying classification or repeatedly restructuring without restored capacity would conceal rather than manage risk, while premature enforcement could destroy a viable business and reduce recovery.

Finally, supervision is an external component of legal structure. OJK's role is not limited to issuing regulations; it reviews the bank's governance, risk profile, capital, and compliance, and may impose corrective or administrative measures within its authority. Internally produced records must therefore be sufficient for both management oversight and supervisory scrutiny. The institution should be

⁴⁶ K. Y. Saragih, "Tindakan Proaktif Perbankan dalam Mengatasi Kredit Macet," *Jurnal Ekonomi, Akuntansi, Manajemen Nusantara* 2, no. 1 (2023): 1-6, <https://doi.org/10.55338/jeama.v2i1.44>.

⁴⁷ Husnia Hilmi Wahyuni and Purwanto, "Analisis Hukum terhadap Jaminan Kredit dalam Perspektif Pencegahan Kredit Macet," *Binamulia Hukum* 13, no. 2 (2024): 297-311, <https://doi.org/10.37893/jbh.v13i2.954>.

⁴⁸ Banking Law, arts. 49, 50, and 52.

⁴⁹ Indra Gunawan Purba, Anjani Sipahutar, and Irwansyah, "Pengaturan Pemberian Kredit pada Dunia Perbankan di Indonesia," *Jurnal Normatif* 2, no. 2 (2022): 203-211, <https://doi.org/10.54123/jn.v2i2.230>.

⁵⁰ Prihatinto and Setiadi, "Pengaruh Loan to Deposit Ratio,".

able to reconstruct the factual basis for a credit decision, identify who reviewed each element, demonstrate compliance with limits, and show how adverse developments were handled. The legal system becomes effective when this chain of accountability is routine rather than assembled only after a problem arises.⁵¹

The legal framework thus contains no inherent conflict between the general duties in the Banking Law and OJK's technical rules. Rather, the regulations particularize a continuous obligation of care. Substance alone, however, cannot guarantee healthy credit. Its effectiveness depends on an institutional structure capable of producing reliable information and independent judgment, and on a culture in which staff and management accept that a well-founded refusal, a lower limit, or closer monitoring may be more prudent than immediate disbursement. The next section evaluates how those dimensions appear at BPR Barelang Mandiri.

Implementation of the Prudential Principle and Credit Compliance at BPR Barelang Mandiri

At BPR Barelang Mandiri, the internal meaning of prudence begins with what Andreas Marti Oscar, Head of the Risk Management Division, described as following the rules, procedures, and established structure.⁵² This formulation reflects legal culture: rules matter operationally only when employees accept them as the ordinary basis for decisions. Yet rule-following must be evaluated alongside results. A completed form or formal approval path does not necessarily demonstrate that risk has been identified accurately, particularly where borrower information is imperfect or economic conditions change. Internal culture therefore supports prudence only when it encourages critical verification, reasoned escalation, and candid review of portfolio outcomes rather than mechanical compliance.⁵³

This institutional reading also illustrates why Friedman's elements must be examined together. Indonesian legal-system scholarship uses the framework to show that a detailed norm can remain ineffective when institutional capacity or everyday legal attitudes do not support it.⁵⁴ In credit operations, the relevant attitudes include willingness to verify an applicant's account, resistance to informal pressure, candor about emerging losses, and fair treatment of a distressed debtor. The rise of technology-enabled and remote lending has made the same point in another setting: faster processing does not reduce the need for prudential judgment and may amplify error when verification is weak.⁵⁵ BPR Barelang Mandiri's

⁵¹ S. Sutinah, "Tinjauan Yuridis Prinsip Kehati-Hatian Bank Indonesia dalam Pemberian Kredit Perbankan," *Mizan: Jurnal Ilmu Hukum* 9, no. 2 (2020): 216-225, <https://ejournal.uniska-kediri.ac.id/index.php/Mizan/article/view/1326>.

⁵² Andreas Marti Oscar, Head of Risk Management Division, BPR Barelang Mandiri, interview by the authors, Batam, May 8, 2026.

⁵³ R. Kamula and A. Jibrail, "Analisis Efektivitas Pengendalian Internal terhadap Kredit Macet pada Program KUR di PT BRI Unit Moyo Hulu," *SENTRI: Jurnal Riset Ilmiah* 5, no. 4 (2026): 2698-2710, <https://ejournal.nusantaraglobal.ac.id/index.php/sentri/article/view/6164>.

⁵⁴ J. Chandra, R. Kusuma, and L. Beliuk, "Efektivitas Pencegahan Korupsi di Indonesia Perspektif Sistem Hukum Lawrence M. Friedman," *Journal of Indonesian Law* 6, no. 2 (2025): 166-185, <https://ejournal.uinsalatiga.ac.id/index.php/jil/article/view/4900>.

⁵⁵ F. Ardan Rinaldi and R. Razie Hendrawan, "Analisis Yuridis Penerapan Prinsip Kehati-hatian untuk Meminimalisir Kredit Macet pada Pembiayaan Online," *Indonesian Journal of Law and Justice* 2, no. 2 (2024): 1-10, <https://journal.pubmedia.id/index.php/lawjustice/article/view/3377>.

procedures must therefore be understood as a decision system, not a series of disconnected forms.

The bank's credit process distributes responsibility across several functions. According to Iin Surbakti, marketing begins by obtaining a prospective borrower's credit history, identity data, and documents appropriate to the borrower's employment or business, and then conducts an initial interview and prepares the application.⁵⁶ Credit analysts perform a deeper feasibility review and may visit a self-employed applicant's business. Appraisers value the proposed security. A committee and the officials within their respective authority levels review the application before the final decision. Marketing remains responsible for the relationship from origination until repayment. This division reduces dependence on one person's judgment and corresponds with the risk-management principle that policies, review, limits, and controls should interact throughout the life of the facility.⁵⁷

Before disbursement, the bank uses the 5C framework. Iin Surbakti reported that character and collateral-related capital protection receive early attention, after which capacity is tested through account statements and salary slips to assess the relationship between income and proposed installments.⁵⁸ A hypothetical Rp300 million application secured by a house valued at Rp700 million might satisfy the preliminary security criterion, but it would still require analysis of repayment capacity. Employment type affects verifiability: cash income is more difficult to substantiate, whereas a small trader may be assessed using simple books and observable turnover. These practices show a pragmatic effort to apply formal standards to customers whose records may not resemble those of larger enterprises.

Character is the most difficult element to measure. Collateral value and recorded income can be checked against documents and market information, but a debtor's true intention may become evident only after the loan is running. The bank therefore seeks corroboration through interviews, references, and credit history. This finding is consistent with decision models that treat character, capital, capacity, and collateral as core variables but also demonstrates why no scoring tool can entirely remove judgment from BPR lending.⁵⁹ Stronger character assessment should focus on inconsistencies across information sources, patterns in prior obligations, the plausibility of stated loan purposes, and the applicant's openness during verification, while avoiding unsupported or discriminatory assumptions.

Verification includes identity cards, family records, salary slips, account statements, business records, and collateral documents. The bank uses what interviewees called BI Checking to review collectibility information; institutionally,

⁵⁶ Iin Surbakti, marketing staff, BPR Barelang Mandiri, interview by the authors, Batam, August 13, 2026.

⁵⁷ A. S. W. Haerul, N. Asni, and V. O. Pebrianti, "Analisis Penerapan Manajemen Risiko Kredit pada Pembiayaan UMKM dalam Meminimalisir Pembiayaan Bermasalah pada Bank BTN KC Kendari," *Jurnal Akuntansi dan Keuangan* 11, no. 1 (2026): 200-215, <https://jak.uho.ac.id/index.php/journal/article/view/350>.

⁵⁸ Iin Surbakti, interview.

⁵⁹ Algifanri Maulana, "Penerapan Logika Fuzzy Sugeno untuk Keputusan Kelayakan Kredit Bank," *Jurnal Desain dan Analisis Teknologi* 3, no. 1 (2024): 44-58, <https://doi.org/10.58520/jddat.v3i1.45>.

this function is now performed through OJK's SLIK and its iDeb report. Iin Surbakti explained that a collectibility-1 record is treated as performing, while a collectibility-2 record reflecting a prior delay may still be considered after its cause is examined. The bank generally rejects an applicant with more than three defaulted facilities at other financial institutions because the pattern raises a material character risk.⁶⁰ Credit-history data are indispensable, but they should be treated as one evidentiary source and read together with current capacity, verified purpose, and the quality of the applicant's explanations.⁶¹

Collateral appraisal is conducted as a separate function. Akbar stated that the appraiser determines value from the object's physical condition and surrounding market evidence without intervention from management or other divisions.⁶² Appraisal begins after marketing documentation and the analyst's interview are complete, preserving a distinction between the value of security and the debtor's income-based feasibility. This separation is an important internal control because the unit interested in completing a disbursement does not unilaterally set the value that supports it.⁶³ It also protects depositors indirectly: an unreliable valuation can enlarge the bank's loss if the borrower defaults and the collateral must be realized.⁶⁴

The bank's internal lending ratios further shape appraisal. Akbar reported that home financing is limited to 80 percent of the sale price, while multipurpose credit is generally limited to 60 percent of market value for a new borrower and 70 percent for an existing borrower with a satisfactory payment record.⁶⁵ Land and buildings are commonly accepted because their values tend to be more stable; vehicles are accepted less often because of depreciation. The debtor may continue using the asset while the bank retains ownership documents, and fire or motor insurance is required where applicable. These rules provide a buffer, but they do not displace the statutory requirement to assess repayment capacity.

Appraisers use comparable market evidence and seek properties with similar physical characteristics; a one-story building should not be compared mechanically with a multi-story boarding house. Batam's land-tenure context adds complexity when the area shown in a location-allocation plan differs from the certificate, because the appraiser considers the relevant sequence of local land documentation. When the valuation does not satisfy marketing or the applicant, a deviation may be submitted to the credit committee, which can consider repayment capacity and other risk factors.⁶⁶ A deviation mechanism is not inherently imprudent, but it

⁶⁰ Iin Surbakti, interview.

⁶¹ Zenada Sandria and Paradisa Sukma, "Prosedur Penyaluran Dana Kredit Usaha Rakyat (KUR) Mikro pada PT Bank Syariah Indonesia Kantor Cabang Pembantu Lombok Praya," *Jurnal Praktik Akuntansi dan Bisnis* 1, no. 5 (2026): 1249-1260, <https://doi.org/10.29303/prakbis.v1i5.2996>.

⁶² Akbar, appraiser, BPR Barelang Mandiri, interview by the authors, Batam, August 13, 2026.

⁶³ R. Rachmawati and S. R. Rachman, "Analisis Sistem Pengendalian Internal atas Pemberian Kredit Multiguna dalam Mengurangi Kredit Bermasalah pada PT BPD Sultra Cabang Utama," *Indo-Fintech Intellectuals: Journal of Economics and Business* 3, no. 2 (2023): 321-338, <https://doi.org/10.54373/ifijeb.v3i2.223>.

⁶⁴ I. M. N. Widagda and A. A. A. Primantari, "Penyelesaian Wanprestasi dalam Perjanjian Kredit Bank Tanpa Agunan melalui Perspektif Hukum Positif di Indonesia," *Jurnal Media Akademik* 3, no. 1 (2025): 1-16, <https://jurnal.mediaakademik.com/index.php/jma/article/view/1580>.

⁶⁵ Akbar, interview.

⁶⁶ Akbar, interview.

should state the exceptional facts, quantify the additional risk, identify the approving authority, and create an auditable record so that an exception does not become an informal route around policy.

Approval authority is centralized at director level after layered review. Iin Surbakti stated that applications, whether relatively small or worth billions of rupiah, move from the analyst to the head of credit analysis, then to marketing leadership and the branch head, before reaching the director for decision.⁶⁷ This arrangement may consolidate accountability, but its prudential strength depends on whether each preceding review remains independent and whether the director receives a complete statement of risks and dissenting views. The internal approval hierarchy must also be distinguished from the BMPK. The former identifies who may decide; the latter limits how much exposure the bank may lawfully assume toward related parties, one borrower, or a borrower group.⁶⁸

The March 2026 quarterly report records Rp4,417,854,264 in credit to related non-bank parties and Rp563,065,057,910 to unrelated non-bank parties.⁶⁹ The portfolio is therefore dominated by unrelated-party credit, but the aggregate figures cannot by themselves prove full BMPK compliance. A conclusive test would require the relevant capital base, identification of connected borrowers, and exposure by individual borrower and group. The figures nevertheless demonstrate why portfolio-level review must accompany loan-level underwriting: diversification depends on the distribution of exposures, not simply on the legal status of the portfolio's largest category.

After disbursement, the collection function monitors payment and borrower behavior. Yosia explained that consumer and productive credit follow broadly similar monitoring mechanisms, but the object of attention differs: consumer lending is observed chiefly through the amortizing payment pattern, while productive credit requires attention to the debtor's business turnover.⁷⁰ Routine reminders are sent at the due date, and delay combined with repeated unfulfilled payment promises is treated as an early indicator of trouble. More intensive monitoring begins after arrears emerge. This is a practical detection mechanism, although productive credit would benefit from periodic review before arrears, because weakening turnover or inventory can precede a missed installment.

The published asset-quality data show why earlier detection matters. For unrelated non-bank borrowers, the March 2026 report records Rp433,690,376,940 as current, Rp58,727,030,096 as special mention, Rp14,038,933,216 as substandard, Rp28,723,571,023 as doubtful, and Rp30,525,433,781 as loss. It reports a net NPL ratio of 12.06 percent and a gross NPL ratio of 12.85 percent.⁷¹ These figures demonstrate material pressure on credit quality. The earlier 3.84 percent provincial figure reported in 2024 is more than three times lower than the

⁶⁷ Iin Surbakti, interview.

⁶⁸ Elita Tia Monica Manalu et al., "Dampak Pelanggaran Batas Maksimum Pemberian Kredit terhadap Nasabah Penyimpan Dana," *Jurnal Akuntansi Kompetif* 9, no. 1 (2026): 63-70, <https://doi.org/10.35446/akuntansikompetif.v9i1.2626>.

⁶⁹ PT Bank Perekonomian Rakyat Barelang Mandiri, *Laporan Publikasi Triwulanan Posisi Maret 2026* (Batam, 2026), <https://www.bprbm.co.id/laporan.php?file=21-LAPORAN-MAR-2026.pdf>.

⁷⁰ Yosia, collection officer, BPR Barelang Mandiri, interview by the authors, Batam, August 13, 2026.

⁷¹ BPR Barelang Mandiri, *Laporan Publikasi Triwulanan Maret 2026*.

bank's March 2026 gross ratio, but the difference must be interpreted cautiously because the dates and population are not aligned.⁷² The valid conclusion is not that every troubled loan reflects a legal breach; it is that procedural compliance has not yet produced the desired substantive portfolio outcome.

The composition of troubled credit is also significant. The combined substandard, doubtful, and loss categories amount to a substantial stock of non-performing exposure, while the special-mention category is itself large enough to warrant focused prevention. Special mention should be treated as an early-warning pool, not simply as an account category below NPL status. A migration analysis—tracking how many accounts return to current, remain static, or deteriorate each month—would give management a more useful view than a single ratio. Comparative research on Batam BPR performance likewise treats financial ratios as time-dependent indicators whose meaning emerges through trends rather than isolated observations.⁷³ This reinforces the need to pair the March 2026 snapshot with cohort and vintage review.

The evidence suggests a possible timing weakness in post-disbursement control. Routine due-date reminders are valuable, but monitoring that becomes intensive only after delay is primarily reactive. Productive borrowers may show stress earlier through falling sales, slower inventory turnover, loss of a major customer, or a change in business location. A risk-based schedule could require more frequent contact for new, restructured, concentrated, or volatile-sector loans and lighter review for long-performing low-risk facilities. Such proportional monitoring would use scarce BPR resources more effectively and provide an evidentiary basis for intervention before collectibility deteriorates.⁷⁴

Approval centralization likewise deserves continuing review. A final decision by the director can create clear accountability and a consistent risk appetite, but it may also weaken checks if subordinate reviewers feel unable to preserve a contrary assessment. The bank should therefore maintain signed or digitally attributable recommendations from marketing, analysis, appraisal, risk management, and the committee, including stated conditions and any dissent. A director's approval would then complete not replace the prior independent judgments. This record is especially important when a deviation is granted, because later review should distinguish an informed exception from an undocumented override. Studies of internal control in lending similarly stress separation, authorization, verification, and traceable documentation as mutually supporting safeguards.⁷⁵

Friedman's cultural element helps explain part of that gap. Staff may follow internal procedures, but the success of the credit relationship also depends on the accuracy of information supplied by borrowers, their willingness to communicate deterioration, and their continuing intention to pay. Yosia observed that some debtors conceal a declining economic condition.⁷⁶ Research likewise associates credit risk with the interaction of credit management, internal control, officer

⁷² Putut ATP, "Potensi Kredit Macet di Kepri Tinggi,".

⁷³ P. Wench and Z. Abu, "Analisis Kinerja Keuangan Bank Perkreditan Rakyat Kota Batam Tahun 2019-2023," *Jurnal Ilmu Sosial dan Humaniora* 2, no. 2 (2024): 112-122, <https://isora.tpublising.org/index.php/isora/article/view/58>.

⁷⁴ Ariwangsa and Dewi, "Pengelolaan Kualitas Kredit,".

⁷⁵ Rachmawati and Rachman, "Analisis Sistem Pengendalian Internal,".

⁷⁶ Yosia, interview.

performance, and borrower conduct.⁷⁷ This does not relieve the bank of its duty; rather, it underscores the need to verify information from multiple sources and to design monitoring capable of detecting changes before the borrower's account becomes seriously delinquent.

The collection process is graduated. Yosia described a first warning letter for a delay of up to seven days, a second if the delay continues for the following seven days, and a third if payment is still not made. After approximately two months without an adequate response, the debtor may be invited to the office to sign a payment undertaking. If the debtor cannot be contacted, staff may visit the address or contact a family member identified during the application process.⁷⁸ Contact with third parties must remain limited, respectful, and consistent with confidentiality and consumer-protection duties; the purpose is to restore communication, not to expose or pressure the debtor improperly.

Where distress is temporary and repayment remains feasible for example, a short-term business decline or job loss accompanied by a credible new income plan—the bank may offer restructuring. Collateral sealing is used as a persuasive step after about three months of arrears without a good-faith resolution. Yosia estimated that troubled accounts are resolved in roughly equal proportions through restructuring and collateral execution, while the bank generally prefers to avoid execution because a sale can take years and delay the recycling of funds.⁷⁹ This preference is consistent with the principle that restructuring should preserve a viable credit relationship, but it must be based on renewed capacity analysis and accurate classification rather than used to postpone recognition of loss.⁸⁰

The quarterly report records Rp13,545,857,971 in interest income under settlement and Rp5,824,539,046 in written-off earning assets.⁸¹ Those amounts confirm that remedial control is not peripheral to the bank's operations. A robust workout record should document contact attempts, updated financial information, the legal status and current value of collateral, the basis for restructuring, performance under the revised terms, and the authorization for enforcement or write-off. Such documentation permits management and supervisors to distinguish temporary stress from persistent inability or unwillingness to pay and to evaluate whether earlier underwriting assumptions were reliable.

Viewed as a legal system, BPR Barelang Mandiri has translated much of the applicable substance into an identifiable structure: marketing, credit analysis, appraisal, committee review, director approval, risk management, SLIK/iDeb checks, deviation review, monitoring, warning letters, restructuring, and enforcement. Its stated follow-the-rules orientation supplies an internal compliance

⁷⁷ A. Guspul, K. Mutmainah, Y. Machfud, A. Affandi, and N. Khusna, "Peran Manajemen Kredit, Pengendalian Internal, Kinerja Pengelola Kredit terhadap Risiko Kredit: Kasus Koperasi Syariah di Wonosobo," *Journal of Economic, Management, Accounting and Technology* 6, no. 2 (2023): 270-285, <https://doi.org/10.32500/jematech.v6i2.4311>.

⁷⁸ Yosia, interview.

⁷⁹ Yosia, interview.

⁸⁰ T. Sianipar and P. Thalib, "Pemberlakuan Manajemen Risiko dalam Pemberian Restrukturisasi Kredit demi Menjaga Tingkat Kesehatan Bank Berdasarkan POJK No. 18/POJK.03/2016," *Indonesian Civil Law Journal* (2024), <https://hukumperdata.id/ojs/index.php/iclj/article/view/17>.

⁸¹ BPR Barelang Mandiri, *Laporan Publikasi Triwulanan Maret 2026*.

culture. Yet the collectibility data show that these elements have not fully converged into effective control of outcomes. The most significant weakness is not the absence of procedures but the need for greater sensitivity in character and capacity assessment, proactive monitoring of productive loans, disciplined exception governance, and systematic learning from defaults.⁸²

Four improvements follow from the evidence. First, the bank should deepen character review through consistent cross-checking of credit history, business and personal references, stated purpose, and discrepancies in documents or interviews. Second, capacity analysis should use scenario testing that asks how repayment would perform under lower turnover, job interruption, or higher household expense. Third, productive-credit monitoring should occur on a risk-based schedule before arrears, with simple indicators suited to micro-enterprises. Fourth, every deviation and remedial measure should be supported by reasons, responsible officers, time limits, and review outcomes. These measures would better align the BPR's intermediation role with its continuing obligation to preserve asset quality.⁸³

CONCLUSION

Indonesian law provides a coherent and layered basis for prudential lending by BPRs. The Banking Law establishes prudence as a governing principle, requires in-depth borrower analysis, controls concentration, protects depositors, and provides enforcement consequences. OJK regulations translate those duties into BPR governance, risk management, internal control, and BMPK requirements. Under Friedman's framework, this legal substance is capable of guiding safe lending only when supported by an independent institutional structure and a working culture that values verified information, reasoned judgment, continuous monitoring, and candid recognition of deterioration.

BPR Barelang Mandiri has substantially implemented the framework at procedural level through 5C analysis, document and SLIK/iDeb verification, separate collateral appraisal, layered review, exposure awareness, post-disbursement monitoring, and a graduated workout process. The March 2026 gross NPL ratio of 12.85 percent, however, shows that procedural completeness has not yet translated into an optimal substantive outcome. This study therefore recommends deeper and more consistently documented assessment of character and capacity, proactive monitoring of productive credit, continued independence among marketing, analysis, appraisal, and approval functions, disciplined review of deviations, and evidence-based restructuring. These measures would strengthen credit compliance not merely as formal observance of procedure, but as demonstrable protection of credit quality, depositors' funds, and the BPR's institutional sustainability.

⁸² A. Z. R. L. Pangaribuan, R. Rizki, and W. Ramadhana, "Perlindungan Kreditur dalam Perjanjian Kredit Menurut KUHPerdara dan Peraturan OJK," *Al-Zayn: Jurnal Ilmu Sosial dan Hukum* 3, no. 4 (2025): 4558-4565, <http://ejournal.yayasanpendidikandzurriyatulquran.id/index.php/AlZayn/article/view/1974>.

⁸³ H. S. Suardin, L. Hakim, and N. Mubyarto, "Analisis Determinan Fungsi Intermediasi dan Profitabilitas Bank Umum Syariah di Indonesia," *Islamika: Jurnal Ilmu-Ilmu Keislaman* 22, no. 2 (2022): 218-232, <https://doi.org/10.32939/islamika.v22i2.1715>.

REFERENCE

- Agma, A. R. "Peran Manajemen Risiko dalam Menjaga Stabilitas Keuangan Perbankan di Indonesia." *Jurnal Manajemen Indonesia* 1, no. 1 (2025): 8-14. <https://ejournal.samudrailmu.com/index.php/jmi/article/view/36>.
- Ajibroto, K., N. Azizah, and R. Fauzany. "Analisis Batas Maksimum Pemberian Kredit (BMPK) atas Perubahan Struktur Modal terhadap Penurunan Non Performing Loan (NPL) pada PT BPR Arthaguna Mandiri." *Innovative: Journal of Social Science Research* 1, no. 2 (2021): 370-376. <https://doi.org/10.31004/innovative.v1i2.3043>.
- Akbar, Z. K., S. Midu, and D. Rumimpunu. "Penerapan Prinsip Kehati-Hatian Bank Guna Mencegah Kredit Macet." *Lex Privatum* 10, no. 4 (2022). <https://ejournal.unsrat.ac.id/index.php/lexprivatum/article/view/42437>.
- Akbar. Appraiser, BPR Barelang Mandiri. Interview by the authors. Batam, August 13, 2026.
- Ariwangsa, I. G. N. O., and K. K. Dewi. "Pengelolaan Kualitas Kredit dan Upaya Pencegahan Kredit Bermasalah di PT BPR Mitra Bali Srisedana Mandiri." *E-Dimas: Jurnal Pengabdian kepada Masyarakat* 15, no. 4 (2024): 679-683. <https://doi.org/10.26877/e-dimas.v15i4.16610>.
- Baidhowi, R. Ramadhani, and S. W. Yudhayana. "Implementasi Prinsip Kehati-hatian dalam Praktik Kredit Perbankan: Tinjauan Yuridis terhadap Tanggung Jawab Bank." *PENG: Jurnal Ekonomi dan Manajemen* 2, no. 3 (2025): 3407-3416. <https://doi.org/10.62710/gmcqnv91>.
- Budiman, N. T., and Supianto. "Penerapan Kebijakan tentang Prinsip Kehati-Hatian dalam Pemberian Kredit Perbankan." *Widya Yuridika: Jurnal Hukum* 3, no. 2 (2020): 327-342. <https://doi.org/10.31328/wy.v3i2.1703>.
- Chandra, J., R. Kusuma, and L. Beliuk. "Efektivitas Pencegahan Korupsi di Indonesia Perspektif Sistem Hukum Lawrence M. Friedman." *Journal of Indonesian Law* 6, no. 2 (2025): 166-185. <https://ejournal.uinsalatiga.ac.id/index.php/jil/article/view/4900>.
- Dalimunthe, Nikmah, and Nanda Kurniawan Lubis. "Peran Lembaga Perbankan terhadap Pembangunan Ekonomi: Fungsi dan Tujuannya dalam Menyokong Ketenagakerjaan." *Jurnal Masharif Al-Syariah: Jurnal Ekonomi dan Perbankan Syariah* 8, no. 4 (2023): 956-963. <https://doi.org/10.30651/jms.v8i4.20997>.
- Dara, R. R., J. N. Orpa, and Y. M. Y. Jacob. "Analisis Yuridis terhadap Perjanjian Kredit Tanpa Agunan sebagai Salah Satu Alternatif Pendanaan UMKM di Indonesia." *Petitum Law Journal* 2, no. 2 (2025): 429-443. <https://doi.org/10.35508/pelana.v2i2.18783>.
- Dewi, E. D. P. "Application of the Prudential Principle in Giving Banking Kredit." *Journal of Law, Politic and Humanities* 5, no. 5 (2025): 3537-3544. <https://dinastires.org/JLPH/article/view/1755>.

- Disemadi, Hari Sutra. "Lenses of Legal Research: A Descriptive Essay on Legal Research Methodologies." *Journal of Judicial Review* 24, no. 2 (2022): 289-304. <https://doi.org/10.37253/jjr.v24i2.7280>.
- Djuarni, Wenny, and Rita Ratnasari. "Implementasi Prinsip 5C dalam Menentukan Kelayakan Pemberian Kredit pada Nasabah." *Ar-Rihlah: Jurnal Keuangan dan Perbankan Syariah* 2, no. 2 (2022): 99-113. <https://doi.org/10.35194/arps.v2i2.2626>.
- Elfin, T. H. Amaliah, and H. Taan. "Analisis Kelayakan Pemberian Dana Kredit Usaha Rakyat (KUR) dalam Mengantisipasi Terjadinya Kredit Bermasalah pada Perbankan." *Jambura Accounting Review* 6, no. 1 (2025): 261-270. <https://doi.org/10.37905/jar.v6i1.162>.
- Financial Services Authority. Regulation Number 7 of 2024 concerning Rural Banks and Sharia Rural Banks.
- Financial Services Authority. Regulation Number 13/POJK.03/2015 concerning the Implementation of Risk Management for Rural Banks.
- Financial Services Authority. Regulation Number 23/POJK.03/2022 concerning the Legal Lending Limit for Rural Banks and the Maximum Fund Distribution Limit for Sharia Rural Banks.
- Friedman, Lawrence M. *The Legal System: A Social Science Perspective*. New York: Russell Sage Foundation, 1975.
- Gozali, G. M. M. H., J. Az-zahra, and N. S. Azzahra. "Analisis Kegiatan Bank dalam Penyaluran Kredit Bermasalah: Studi Kasus Gagal Bayar Kredit di PT Bank Century Tbk." *Scripta Economica: Journal of Economics, Management, and Accounting* 1, no. 3 (2026): 7-15. <https://doi.org/10.65310/87v1yd46>.
- Guspul, A., K. Mutmainah, Y. Machfud, A. Affandi, and N. Khusna. "Peran Manajemen Kredit, Pengendalian Internal, Kinerja Pengelola Kredit terhadap Risiko Kredit: Kasus Koperasi Syariah di Wonosobo." *Journal of Economic, Management, Accounting and Technology* 6, no. 2 (2023): 270-285. <https://doi.org/10.32500/jematech.v6i2.4311>.
- Haerul, A. S. W., N. Asni, and V. O. Pebrianti. "Analisis Penerapan Manajemen Risiko Kredit pada Pembiayaan UMKM dalam Meminimalisir Pembiayaan Bermasalah pada Bank BTN KC Kendari." *Jurnal Akuntansi dan Keuangan* 11, no. 1 (2026): 200-215. <https://jak.uho.ac.id/index.php/journal/article/view/350>.
- Hanum, A., F. Fithriyatirrizqoh, and B. Baidhowi. "Analisis Yuridis Pengawasan Otoritas Jasa Keuangan terhadap Penerapan Asas Kehati-Hatian oleh Lembaga Perbankan Digital." *Jurnal Ilmiah Penelitian Mahasiswa* 3, no. 3 (2025): 454-463. <https://ejurnal.kampusakademik.my.id/index.php/jipm/article/view/967>.
- Indonesia. Law Number 7 of 1992 concerning Banking, as amended by Law Number 10 of 1998 and Law Number 4 of 2023.
- Indonesia. *1945 Constitution of the Republic of Indonesia*.
- Indonesia. Law Number 24 of 2004 concerning the Deposit Insurance Corporation, as amended.

- Indonesia. Law Number 4 of 2023 concerning Financial Sector Development and Strengthening, as amended by Law Number 4 of 2026.
- Johannis, J. J. F., A. H. Pondaag, and O. A. Kereh. "Kajian Yuridis Prinsip Kehati-Hatian dalam Pemberian Kredit Menurut Undang-Undang Nomor 10 Tahun 1998 tentang Perbankan." *Lex Privatum* 8 (2020): 180-189. <https://ejournal.unsrat.ac.id/index.php/lexprivatum/article/view/30981>.
- Kamula, R., and A. Jibrail. "Analisis Efektivitas Pengendalian Internal terhadap Kredit Macet pada Program KUR di PT BRI Unit Moyo Hulu." *SENTRI: Jurnal Riset Ilmiah* 5, no. 4 (2026): 2698-2710. <https://ejournal.nusantaraglobal.ac.id/index.php/sentri/article/view/6164>.
- Manalu, Elita Tia Monica, Renova Simanullang, Enjelia Nova Sari Simarmata, Neibi Ezenia Ambarita, and Hamonangan Siallagan. "Dampak Pelanggaran Batas Maksimum Pemberian Kredit terhadap Nasabah Penyimpan Dana." *Jurnal Akuntansi Kompetif* 9, no. 1 (2026): 63-70. <https://doi.org/10.35446/akuntansikompetif.v9i1.2626>.
- Maulana, Algifanri. "Penerapan Logika Fuzzy Sugeno untuk Keputusan Kelayakan Kredit Bank." *Jurnal Desain dan Analisis Teknologi* 3, no. 1 (2024): 44-58. <https://doi.org/10.58520/jddat.v3i1.45>.
- Meher, Montayana. "Tinjauan Yuridis terhadap Penerapan Prinsip Kehati-Hatian oleh Bank dalam Memberikan Kredit." *Journal of Education, Humaniora and Social Sciences* 5, no. 4 (2023): 3354-3360. <https://doi.org/10.34007/jehss.v5i4.1772>.
- Nadja, Amandine. "OJK Kepri Catat Kredit UMKM Tumbuh 14,6 Persen pada Semester I 2025." *ANTARA*, September 27, 2025. <https://www.antaranews.com/berita/5137861/ojk-kepri-catat-kredit-umkm-tumbuh-146-persen-pada-semester-i-2025>.
- Natasa, S. D. "Analisis Prosedur Pemberian Kredit, Penerapan Analisis Kredit, dan Tantangan dalam Pelaksanaannya pada Bank Pembangunan Daerah." *Integrative Perspectives of Social and Science Journal* 3, no. 2 (2026): 1242-1252. <https://ipssj.com/index.php/ojs/article/view/1242>.
- Oscar, Andreas Marti. Head of Risk Management Division, BPR Barelang Mandiri. Interview by the authors. Batam, May 8, 2026.
- Pangaribuan, A. Z. R. L., R. Rizki, and W. Ramadhana. "Perlindungan Kreditur dalam Perjanjian Kredit Menurut KUHPerdota dan Peraturan OJK." *Al-Zayn: Jurnal Ilmu Sosial dan Hukum* 3, no. 4 (2025): 4558-4565. <http://ejournal.yayasanpendidikandzurriyatulquran.id/index.php/AlZayn/article/view/1974>.
- Pratiwi, Meirina Dewi, and Erniwati. "Pengaturan Hukum Prudential Banking Principle terhadap Batas Maksimum Pemberian Kredit." *Jurnal Rechten: Riset Hukum dan Hak Asasi Manusia* 7, no. 3 (2025): 1-13. <https://doi.org/10.52005/rechten.v7i3.228>.

- Prihatinto, Hari Yunan, and Pompong B. Setiadi. "Pengaruh Loan to Deposit Ratio (LDR) dan Non Performing Loan (NPL) terhadap Profitabilitas pada Bank Perkreditan Rakyat (BPR) di Kabupaten Sidoarjo, Jawa Timur Tahun 2019-2021." *Cakrawala* 6, no. 2 (2023): 934-941. <https://doi.org/10.52851/cakrawala.v6i2.281>.
- PT Bank Perekonomian Rakyat Barelang Mandiri. *Laporan Publikasi Triwulanan Posisi Maret 2026*. Batam, 2026. <https://www.bprbm.co.id/laporan.php?file=21-LAPORAN-MAR-2026.pdf>.
- Purba, Indra Gunawan, Anjani Sipahutar, and Irwansyah. "Pengaturan Pemberian Kredit pada Dunia Perbankan di Indonesia." *Jurnal Normatif* 2, no. 2 (2022): 203-211. <https://doi.org/10.54123/jn.v2i2.230>.
- Putri, Yusti Eka, Halmi, Ika Irmawati, and Salmah Harun. "Analisis Kelayakan Kredit Calon Debitur sebagai Dasar dalam Pengambilan Keputusan Pemberian Kredit Usaha Rakyat." *AKSIOMA: Jurnal Sains Ekonomi dan Edukasi* 1, no. 12 (2024): 964-975. <https://doi.org/10.62335/x13tfb66>.
- Putut ATP. "Potensi Kredit Macet di Kepri Tinggi." *Batam Pos*, 2024. <https://metropolis.batampos.co.id/potensi-kredit-macet-di-kepri-tinggi/>.
- Rachmawati, R., and S. R. Rachman. "Analisis Sistem Pengendalian Internal atas Pemberian Kredit Multiguna dalam Mengurangi Kredit Bermasalah pada PT BPD Sultra Cabang Utama." *Indo-Fintech Intellectuals: Journal of Economics and Business* 3, no. 2 (2023): 321-338. <https://doi.org/10.54373/ifijeb.v3i2.223>.
- Rahayu, F. S., S. Samsiah, and H. T. Hinggo. "Analisis Prinsip 5C dan 7P dalam Pemberian Kredit untuk Meminimalisir Kredit Bermasalah dan Meningkatkan Profitabilitas: Studi Kasus pada Swamitra Pekanbaru." *Seminar Nasional Ekonomi Bisnis dan Akuntansi* 1 (2021): 20-27. <https://ejurnal.umri.ac.id/index.php/sneba/article/view/2653>.
- Rahmi, I. A., and H. Khotmi. "Pengendalian Risiko Pemberian Kredit Modal Kerja pada PT BPR NTB (Perseroda) Cabang Gunungsari." *Jurnal Praktik Akuntansi dan Bisnis* 1, no. 4 (2026): 853-867. <https://jurnal.fe.unram.ac.id/index.php/prakbis>.
- Ridha, I., E. Utari, C. Nurhaliza, F. S. Rahmadhani, H. Fadhly, I. P. Sari, L. A. A. Rafi, L. Edira, M. S. D. Putra, and M. Triyananda. "Implementasi Prinsip Kehati-Hatian (Prudential Principles) dalam Hukum Perkreditan." *Civilia: Jurnal Kajian Hukum dan Pendidikan Kewarganegaraan* 3, no. 2 (2024): 448-458. <https://jurnal.anfa.co.id/index.php/civilia/article/download/2623/2381/8158>.
- Rinaldi, F. Ardan, and R. Razie Hendrawan. "Analisis Yuridis Penerapan Prinsip Kehati-hatian untuk Meminimalisir Kredit Macet pada Pembiayaan Online." *Indonesian Journal of Law and Justice* 2, no. 2 (2024): 1-10. <https://journal.pubmedia.id/index.php/lawjustice/article/view/3377>.

- Sandria, Zenada, and Paradisa Sukma. "Prosedur Penyaluran Dana Kredit Usaha Rakyat (KUR) Mikro pada PT Bank Syariah Indonesia Kantor Cabang Pembantu Lombok Praya." *Jurnal Praktik Akuntansi dan Bisnis* 1, no. 5 (2026): 1249-1260. <https://doi.org/10.29303/prakbis.v1i5.2996>.
- Saragih, K. Y. "Tindakan Proaktif Perbankan dalam Mengatasi Kredit Macet." *Jurnal Ekonomi, Akuntansi, Manajemen Nusantara* 2, no. 1 (2023): 1-6. <https://doi.org/10.55338/jeama.v2i1.44>.
- Shaqinah, L., and T. Kartini. "Analisis Manajemen Risiko dalam Mencegah Kredit Macet." *EKOMA: Jurnal Ekonomi* 3, no. 6 (2024): 2989-2996. <https://ulilalbabinstitute.co.id/index.php/EKOMA/article/view/9843/7184>.
- Sianipar, T., and P. Thalib. "Pemberlakuan Manajemen Risiko dalam Pemberian Restrukturisasi Kredit demi Menjaga Tingkat Kesehatan Bank Berdasarkan POJK No. 18/POJK.03/2016." *Indonesian Civil Law Journal* (2024). <https://hukumperdata.id/ojs/index.php/iclj/article/view/17>.
- Suardin, H. S., L. Hakim, and N. Mubyarto. "Analisis Determinan Fungsi Intermediasi dan Profitabilitas Bank Umum Syariah di Indonesia." *Islamika: Jurnal Ilmu-Ilmu Keislaman* 22, no. 2 (2022): 218-232. <https://doi.org/10.32939/islamika.v22i2.1715>.
- Surbakti, Iin. Marketing staff, BPR Bareleng Mandiri. Interview by the authors. Batam, August 13, 2026.
- Sutinah, S. "Tinjauan Yuridis Prinsip Kehati-Hatian Bank Indonesia dalam Pemberian Kredit Perbankan." *Mizan: Jurnal Ilmu Hukum* 9, no. 2 (2020): 216-225. <https://ejournal.uniska-kediri.ac.id/index.php/Mizan/article/view/1326>.
- Tan, D. "Metode Penelitian Hukum: Mengupas dan Mengulas Metodologi dalam Menyelenggarakan Penelitian Hukum." *Nusantara: Jurnal Ilmu Pengetahuan Sosial* 8, no. 8 (2021): 2463-2478. <https://jurnal.um-tapsel.ac.id/index.php/nusantara/article/view/5601>.
- Usriyati, R., N. Priyono, and N. A. Khabibah. "Penanganan Kredit Bermasalah (Non Performing Loan) pada PT BPR BKK Muntilan (Perseroda)." *Akuntansi dan Manajemen* 17, no. 1 (2022): 60-71. <https://doi.org/10.30630/jam.v17i1.176>.
- Wahyuni, Husnia Hilmi, and Purwanto. "Analisis Hukum terhadap Jaminan Kredit dalam Perspektif Pencegahan Kredit Macet." *Binamulia Hukum* 13, no. 2 (2024): 297-311. <https://doi.org/10.37893/jbh.v13i2.954>.
- Wench, P., and Z. Abu. "Analisis Kinerja Keuangan Bank Perkreditan Rakyat Kota Batam Tahun 2019-2023." *Jurnal Ilmu Sosial dan Humaniora* 2, no. 2 (2024): 112-122. <https://isora.tpublishing.org/index.php/isora/article/view/58>.
- Widagda, I. M. N., and A. A. A. Primantari. "Penyelesaian Wanprestasi dalam Perjanjian Kredit Bank Tanpa Agunan melalui Perspektif Hukum Positif di Indonesia." *Jurnal Media Akademik* 3, no. 1 (2025): 1-16. <https://jurnal.mediaakademik.com/index.php/jma/article/view/1580>.

Yanto, R. "Implementasi Penerapan Pengaturan Bank dengan Prinsip Kehati-Hatian (Prudent Banking) di Indonesia." *Global Intellectual Community of Indonesia Journal* 2, no. 1 (2025): 21-27.
<https://journal.stiegici.ac.id/index.php/gici/article/view/346>.

Yosia. Collection officer, BPR Barelang Mandiri. Interview by the authors. Batam, August 13, 2026.