



The Role of Islamic Fintech in Enhancing Financial Inclusion and Promoting Sharia-Based Economic Growth in Indonesia

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Abstract. Indonesia's national financial inclusion index reached 93.61% in 2026, yet Islamic financial inclusion remained only 13.24%, indicating a substantial usage gap between the general and Sharia financial systems. This study examines whether the expansion of Islamic fintech contributes to Islamic financial inclusion and Sharia-based economic growth in Indonesia. An explanatory quantitative design using monthly secondary time-series data from January 2024 to May 2025 was employed. Islamic fintech was proxied by funds raised through Sharia Securities Crowdfunding (SCF), financial inclusion by third-party funds (DPK) of Islamic Commercial Banks and Sharia Business Units (BUS-UUS), and Sharia-based economic growth by BUS-UUS financing. The variables were transformed into natural logarithms. Augmented Dickey-Fuller tests showed non-stationarity in levels but stationarity in first differences; therefore, inference relied on first-difference regressions with Newey-West/HAC robust standard errors. Changes in Sharia SCF fundraising positively affected changes in DPK ($\beta = 0.283$; $p = 0.015$) and financing ($\beta = 0.124$; $p = 0.027$). In the mediation model, the direct effect of fintech remained significant ($\beta = 0.134$; $p = 0.009$), whereas DPK did not significantly affect financing ($\beta = -0.034$; $p = 0.706$). The indirect effect was not significant (Sobel $z = -0.373$; $p = 0.709$). The findings suggest that the short-run role of Islamic fintech is more visible through direct financing-channel expansion than through deposit-based mediation. Policy should strengthen interoperability, Sharia digital literacy, consumer protection, and the integration of fintech with Islamic banking and the halal value-chain ecosystem.

Keywords: Financial Inclusion; Islamic Fintech; Islamic Finance; Sharia Economic Growth; Time Series.

1. INTRODUCTION

Digital transformation has reshaped the structure of financial services from branch-based models toward models that increasingly rely on platforms, digital identity, data integration, and remote transactions. This shift expands opportunities for inclusion because geographical barriers, transaction costs, and information constraints can be reduced through technology. However, broader digital access does not automatically create evenly distributed inclusion across industry segments. The 2026 National Survey of Financial Literacy and Inclusion (SNLIK) reported a national financial literacy index of 69.57% and a financial inclusion index of 93.61%, up from 66.64% and 92.74% in 2025. At the same time, the Islamic financial literacy index reached only 43.07%, while Islamic financial inclusion stood at just 13.24% (OJK, LPS, & BPS, 2026). This disparity confirms that the expansion of national financial-service usage has not been accompanied by comparable penetration of Islamic financial services.

This gap is increasingly important because the scale of Indonesia's Islamic financial industry continues to expand. OJK reported that total national Islamic financial industry assets reached IDR 3,131.02 trillion in 2025, representing annual growth of 8.56%. Islamic banking

assets amounted to IDR 1,067.73 trillion, while Islamic capital-market assets excluding the market capitalization of Sharia-compliant shares reached IDR 1,875.25 trillion (OJK, 2026a). From the perspective of real economic activity, Bank Indonesia recorded 6.21% annual growth in the halal value-chain sector in 2025. As of May 2026, Islamic financing grew by 10.42% to IDR 709 trillion and third-party funds (DPK) increased by 11.75% to IDR 792 trillion, while the Islamic economic literacy index reached 50.18% (Bank Indonesia, 2026). The combined growth in assets, financing, and halal economic activity indicates a solid foundation for expansion; the key issue is how this growth can be translated into broader use of Islamic financial services.

Islamic fintech has the potential to fill this space through digital financing and investment structured in accordance with Sharia principles. Within the digital-finance framework, technology can reduce search and transaction costs, accelerate matching between parties seeking funds and capital providers, and extend service reach to groups that were previously underserved (Ozili, 2018; Basnayake et al., 2024). In the Islamic context, these technological benefits operate alongside requirements for contractual compliance, transparency, transactional fairness, and the avoidance of *riba*, *gharar*, and *maysir*. Accordingly, Islamic fintech adoption is influenced not only by ease of use but also by trust, literacy, perceived usefulness, and confidence in Sharia compliance (Majid, 2021; Hasyim et al., 2022).

One channel that can be observed consistently through regulatory publications is Sharia Securities Crowdfunding (SCF). Unlike traditional intermediary-based lending, SCF connects issuers and investors through digital platforms, enabling businesses to obtain funding through Sharia-compliant securities. OJK data show that funds raised through Sharia SCF increased from IDR 466.04 billion in April 2024 to IDR 715.47 billion in December 2024, IDR 802.48 billion in March 2025, and IDR 841.32 billion in April 2025; in April 2025, Sharia SCF accounted for approximately 55% of total SCF (OJK, 2025a). This increase indicates that capital-market-based fintech has developed from a complementary segment into a relevant digital instrument for expanding business financing.

Studies in Indonesia have generally examined Islamic fintech from the perspective of user or MSME behavior. Majid (2021) showed that perceived usefulness, ease of use, subjective norms, and religiosity influence the intention to use Islamic fintech. Latifah and Jati (2023) found that convenience and trust are associated with interest in Islamic fintech transactions and MSME performance. Maharani et al. (2024) emphasized the contribution of Islamic fintech to MSME inclusiveness, while Askandar et al. (2026) found that Islamic fintech

adoption can improve MSME financial inclusion. Widagdo et al. (2026) further identified financial inclusion as a mediator between Islamic fintech and MSME sustainability. These findings are important, but most are based on cross-sectional survey data at the respondent level and therefore do not explain whether aggregate expansion of Islamic fintech moves in line with strengthening Islamic financial intermediation over time.

On the other hand, the finance-growth literature positions financial intermediation as an important mechanism for mobilizing savings, allocating capital, managing risk, and financing productive investment (Patrick, 1966). In Indonesia, empirical evidence on the relationship between Islamic finance and economic growth remains mixed. Azwar et al. (2024) showed that several Islamic financial instruments can contribute to growth, whereas Laiya and Fathurrohman (2025) found that Islamic banking financing does not always have a significant effect on GDP within the examined horizon. Nisar et al. (2026) found that Islamic banking financing has a positive short-run effect, although not all Islamic instruments generate the same impact. These differences indicate that the economic effects of the financial sector depend on the instrument, time horizon, and the ability of funds to flow into productive activities.

The research gap addressed by this study lies in the limited number of studies that sequentially connect Islamic fintech, Islamic financial inclusion, and the growth of Islamic economic intermediation using secondary time-series data. Behavioral studies have shown that fintech adoption can improve access at the individual or MSME level, but the aggregate relationship between the development of fintech channels and the use of Islamic financial services has rarely been tested. In addition, prior studies generally examine the mediating role of financial inclusion through respondent perceptions; few studies have tested this mediation pathway using indicators of actual financial-system usage published by regulators.

The novelty of this study lies in the use of monthly regulatory data to test the pathway Islamic Fintech (X) → Islamic Financial Inclusion (Y1) → Sharia-Based Economic Growth (Y2). To operationalize the concepts consistently at a monthly frequency, Islamic fintech is proxied by funds raised through Sharia SCF, Islamic financial inclusion is proxied by third-party funds (DPK) of Islamic Commercial Banks and Islamic Business Units (BUS-UUS) as an indicator of participation and usage depth in the Islamic banking system, and Sharia-based economic growth is proxied by BUS-UUS financing as an indicator of expanding intermediation into economic activity. These proxies are not equated with the SNLIK inclusion index or halal-sector GDP; these limitations are stated explicitly so that interpretation remains within the scope of the available data.

Based on this gap, the study aims to analyze the effect of Islamic fintech development on Islamic financial inclusion, the effect of financial inclusion on the growth of Islamic economic intermediation, the direct effect of Islamic fintech on intermediation growth, and the mediating role of financial inclusion. The findings are expected to provide regulators and industry participants with financial-system-based evidence on whether strengthening Islamic fintech works primarily through expanded deposit mobilization or through more direct digital financing channels.

2. THEORETICAL REVIEW AND HYPOTHESIS DEVELOPMENT

Islamic Fintech and the Financial Inclusion Mechanism

Conceptually, fintech refers to innovation that combines technology with financial functions to create more efficient processes of intermediation, payments, investment, or fund management. Ozili (2018) explains that digital finance can expand inclusion when technology lowers service costs and enables providers to reach users who were previously uneconomical to serve through conventional channels. Cross-country evidence also shows that digitalization is positively associated with inclusion and growth, although the magnitude of its effect varies with digital readiness, market structure, and institutional quality (Ozili et al., 2024; Basnayake et al., 2024).

In Islamic fintech, technological efficiency must be accompanied by compliance with Sharia principles. Therefore, platform attractiveness comes not only from speed or convenience, but also from contractual structure, fee transparency, governance quality, and trust that transactions comply with Sharia requirements. Yuneline (2022) emphasizes that Islamic fintech has the potential to improve MSME inclusion by reducing barriers to financing access. Askandar et al. (2026) show that Islamic fintech adoption is associated with greater MSME inclusion, while Lestari and Vidiati (2025) highlight the role of Islamic fintech as a channel for expanding access to financing and transactions. Accordingly, aggregate growth in Islamic fintech activity is theoretically expected to move in the same direction as greater public participation in the Islamic financial system.

Financial Inclusion and Sharia-Based Economic Growth

Financial inclusion extends beyond product availability to include access to and use of relevant, affordable, safe, and sustainable financial services. Within the finance-growth framework, expansion of the user base and mobilization of funds enhance the capacity of financial institutions to channel capital into productive activities. This mechanism works when savings or investment funds can be converted into business financing, productive consumption,

and investment that generate value added. Patrick (1966) describes the interaction between financial development and growth as supply-leading when the financial sector first creates financing capacity, or demand-following when economic needs stimulate financial development.

In an Islamic economy, the intermediation process is expected to be linked to asset-based transactions and economic activities that comply with Sharia principles. However, empirical evidence from Indonesia remains mixed. Azwar et al. (2024) identify a positive role of Islamic financial development in economic growth, while Laiya and Fathurrohman (2025) show that Islamic financing is not always significant for GDP when the financing composition is dominated by consumptive uses. Nisar et al. (2026) find a positive short-run effect of Islamic banking financing. These differences indicate that the amount of funds entering the system does not automatically accelerate productive financing; allocation quality and the analytical horizon remain important.

Conceptual Framework and Hypotheses

Conceptually, this study tests two pathways. The first is an indirect pathway in which the expansion of Islamic fintech increases participation in the Islamic financial system, and greater participation subsequently expands intermediation capacity. The second is a direct pathway in which the development of digital funding platforms can increase financing without first requiring an increase in bank deposits. Sharia SCF is one example of a channel that enables investor funds to flow directly to issuers. Therefore, the model tests both direct effects and mediation in order to identify which channel is more visible in the monthly data.

Islamic Fintech (X) -> Islamic Financial Inclusion (Y1) -> Sharia-Based Economic
Growth (Y2)

Islamic Fintech (X) -----> Y2

Based on the theoretical arguments and previous empirical findings, the hypotheses are formulated as follows: H1, Islamic fintech has a positive effect on Islamic financial inclusion; H2, Islamic financial inclusion has a positive effect on Sharia-based economic growth; H3, Islamic fintech has a direct positive effect on Sharia-based economic growth; and H4, Islamic financial inclusion mediates the effect of Islamic fintech on Sharia-based economic growth.

3. RESEARCH METHOD

This study employs an explanatory quantitative approach using monthly secondary time-series data. The explanatory design was selected because the study not only describes indicator developments but also tests the direction of relationships among components

according to the formulated path model. The unit of observation is the month, covering January 2024 to May 2025. This period was selected because regulatory publications provide relatively consistent Sharia SCF indicators and Islamic Banking Statistics over the same interval, yielding 17 level observations and 16 observations after first differencing.

Islamic fintech data were obtained from the development and strengthening dashboard for the Islamic Financial Services Sector presented in OJK's Monthly Board of Commissioners Meetings, particularly data on funds raised through Sharia SCF. DPK and BUS-UUS financing data were obtained from OJK's monthly Islamic Banking Statistics. The SPS publication states that data on Islamic Commercial Banks (BUS) and Islamic Business Units (UUS) are compiled from industry reports and published periodically to describe developments in Islamic banking (OJK, 2025b). DPK and financing values originally reported in billions of rupiah were converted into trillions of rupiah for ease of interpretation; this change of unit does not affect results after logarithmic transformation.

For variable X, three months were not explicitly available in the compiled dashboard series: June 2024, July 2024, and October 2024. To preserve a regular monthly frequency, these three points were estimated using linear interpolation between the nearest available observations. The interpolated values were IDR 509.53 billion, IDR 536.81 billion, and IDR 658.46 billion, respectively. Interpolation was applied only to these three points and is acknowledged as a limitation because it may reduce local variation in the X series. No other observed values from OJK publications were altered.

Variable operationalization follows the availability of official indicators. Islamic Fintech (X) is measured by funds raised through Sharia SCF in billions of rupiah. Sharia SCF was selected because of its digital platform-based financing characteristics and the availability of aggregate regulatory data; this variable is a proxy for one segment of Islamic fintech rather than a measure of the entire Islamic fintech industry. Islamic Financial Inclusion (Y1) is measured by BUS-UUS third-party funds (DPK) in trillions of rupiah. DPK represents the use of deposit services and the depth of public funds in Islamic banking, but it is not identical to the survey-based SNLIK financial inclusion index. Sharia-Based Economic Growth (Y2) is measured by BUS-UUS financing in trillions of rupiah as a proxy for the expansion of intermediation into economic activity, rather than halal-sector GDP or national GDP growth.

All variables were transformed into natural logarithms. Log transformation was used to reduce scale differences and to allow coefficients to be interpreted approximately as elasticities. Before path testing, stationarity was examined using the Augmented Dickey-Fuller (ADF) test. Stationarity testing is important because regressions among series that share common trends

can produce spurious relationships. When variables are non-stationary in levels but stationary after first differencing, the main inference is based on log changes or first differences.

Estimation was conducted using Ordinary Least Squares with heteroskedasticity and autocorrelation consistent (HAC/Newey-West) standard errors using one lag to reduce standard-error bias from heteroskedasticity and short-run autocorrelation. Given the relatively small monthly sample, the findings are positioned as preliminary evidence and are not used to claim structural causality. Mediation was tested using the product of coefficients $a \times b$ and the Sobel test. The significance level was set at 5%.

Table 1. Operationalization of Research Variables.

Variable	Indicator/Proxy	Unit	Source
Islamic Fintech (X)	Funds raised through Sharia SCF	IDR billion	OJK RDKB/Islamic Financial Services Sector
Islamic Financial Inclusion (Y1)	BUS-UUS third-party funds (DPK)	IDR trillion	OJK Islamic Banking Statistics
Sharia-Based Economic Growth (Y2)	BUS-UUS financing	IDR trillion	OJK Islamic Banking Statistics

Source: Developed by the authors based on OJK publications, 2024-2025.

The empirical model was constructed in two stages. The first model tests path a from Islamic fintech to inclusion. The second model tests the direct effect of fintech (c') and path b from inclusion to intermediation growth. For comparison, the total effect (c) is also estimated. Because all level variables were found to be non-stationary, the equations used as the basis for the conclusions employ monthly log changes:

$$\Delta \ln(Y1_t) = \alpha_1 + a \Delta \ln(X_t) + \epsilon_{1t}$$

$$\Delta \ln(Y2_t) = \alpha_2 + c' \Delta \ln(X_t) + b \Delta \ln(Y1_t) + \epsilon_{2t} \quad \dots (i)$$

Indirect effect is calculated as $a \times b$. H1 is supported when a is positive and significant; H2 is supported when b is positive and significant; H3 is supported when the fintech coefficient in both the total-effect and direct-effect models is positive and significant; and H4 requires a statistically significant indirect effect. The use of first differences means that interpretation focuses on relationships among monthly changes rather than long-run relationships among variable levels.

4. RESULTS AND DISCUSSION

Data Development and Descriptive Statistics

The data series show clear expansion in the Sharia SCF channel during the observation period. Funds raised increased from IDR 414.75 billion in January 2024 to IDR 865.94 billion in May 2025. This represents more than a twofold increase over 17 months and indicates growing interest among both issuers and investors in platform-based Islamic funding alternatives. Over the same period, BUS-UUS financing increased from IDR 565.15 trillion to IDR 641.74 trillion. BUS-UUS third-party funds were more volatile: from IDR 656.16 trillion in January 2024, they reached a maximum of IDR 736.76 trillion in December 2024 before standing at IDR 708.59 trillion in May 2025.

These patterns reveal two distinct characteristics. First, Sharia SCF shows a strong expansionary trend because it starts from a relatively small nominal base and remains in a market-development phase. Second, Islamic banking DPK and financing operate at a much larger scale, so their monthly changes are relatively smaller. This difference in scale provides an additional reason for applying natural-log transformations. Descriptively, average Sharia SCF funds amounted to IDR 621.54 billion, average BUS-UUS DPK to IDR 695.01 trillion, and average financing to IDR 606.47 trillion.

Table 2. Descriptive Statistics of the Variables.

Variable	N	Minimum	Mean	Maximum	Std. Dev.
Sharia SCF (IDR billion)	17	414.75	621.54	865.94	148.29
BUS-UUS DPK (IDR trillion)	17	656.16	695.01	736.76	24.10
BUS-UUS financing (IDR trillion)	17	565.15	606.47	641.74	23.41

Source: OJK data processed by the authors, 2026.

Stationarity Test

The ADF results show that the logarithms of Sharia SCF, DPK, and financing are non-stationary in levels, with probability values of 0.886, 0.457, and 0.612, respectively. After first differencing, all variables become stationary at the 5% significance level, with probabilities of 0.019 for fintech, <0.001 for DPK, and 0.003 for financing. This result is important because using level regressions as the basis for inference could allow common upward trends to inflate R-squared and statistical significance artificially. Therefore, the hypothesis-testing results are based on stationary Delta ln series.

Table 3. Augmented Dickey-Fuller Test Results.

Variable	ADF Level	p Level	ADF First Diff.	p First Diff.	Decision
ln X	-0.531	0.886	-3.221	0.019	I(1)
ln Y1	-1.650	0.457	-4.706	<0.001	I(1)
ln Y2	-1.337	0.612	-3.801	0.003	I(1)

Source: Authors' data processing, 2026.

Path and Hypothesis Testing

The path-a model produces a Delta ln X coefficient of 0.283 with a HAC standard error of 0.116 and $p = 0.015$. The positive coefficient indicates that a 1% increase in funds raised through Sharia SCF is associated with an approximately 0.283% monthly increase in BUS-UUS DPK under the elasticity approximation, holding other factors in the equation constant. The R-squared value of 0.161 shows that most short-run variation in DPK is still explained by other factors. Although the model's explanatory power is limited, the direction and significance of the coefficient support H1.

In the total-effect model, changes in Sharia SCF have a positive effect on changes in BUS-UUS financing, with a coefficient of 0.124 and $p = 0.027$. This means that expansion in funds raised through Sharia SCF moves in the same direction as growth in Islamic banking financing over the same period. When DPK is included as a mediator, the direct fintech coefficient remains positive and increases to 0.134 with $p = 0.009$. By contrast, the coefficient of Delta ln DPK on Delta ln financing is -0.034 and statistically insignificant ($p = 0.706$). These findings do not support H2 but do support H3 regarding the direct effect of fintech on the growth of Islamic intermediation.

Table 4. First-Difference Regression Results with HAC Standard Errors.

Model/Path	Coef.	HAC SE	z	p	R ²	Decision
H1: $\Delta \ln X \rightarrow \Delta \ln Y1$ (a)	0.283	0.116	2.433	0.015	0.161	Supported
Total: $\Delta \ln X \rightarrow \Delta \ln Y2$ (c)	0.124	0.056	2.206	0.027	0.224	Significant
H3: $\Delta \ln X \rightarrow \Delta \ln Y2$ (c')	0.134	0.051	2.610	0.009	0.231	Supported
H2: $\Delta \ln Y1 \rightarrow \Delta \ln Y2$ (b)	-0.034	0.091	-0.378	0.706	0.231	Not supported

Source: Authors' data processing, 2026. N at level = 17; N after first difference = 16.

Financial Inclusion Mediation Test

The indirect effect is calculated from the product of coefficients a and b, namely $0.283 \times (-0.034) = -0.0097$. The Sobel test yields $z = -0.373$ and $p = 0.709$. Thus, the indirect effect is not significant and H4 is not supported. The absence of mediation does not mean that financial inclusion is structurally unimportant; rather, it indicates that over a short monthly

horizon, and with DPK used as a proxy for financial-system usage, changes in DPK do not constitute a statistically significant channel explaining the relationship between Sharia SCF expansion and BUS-UUS financing.

Table 5. Summary of the Mediation Test.

Component	Value
Coefficient a	0.283
Coefficient b	-0.034
Indirect effect a x b	-0.0097
Sobel z	-0.373
p-value	0.709
Conclusion	No significant mediation

Source: Authors' data processing, 2026.

Discussion: Islamic Fintech and Financial Inclusion

The positive effect of changes in Sharia SCF on changes in DPK indicates an association between the development of the Islamic digital-funding ecosystem and more active participation of public funds in the Islamic financial system. SCF itself does not mobilize DPK in the manner of banks, so the relationship should not be interpreted as a mechanical flow of funds from SCF into deposits. A more appropriate interpretation is that it signals broader ecosystem development: greater visibility of digital Islamic products, increasing numbers of investors and issuers, and rising public familiarity with Sharia-compliant transactions may move in the same direction as the use of Islamic banking products.

This finding is consistent with the digital financial inclusion argument that technology reduces access frictions and broadens entry points into the financial system (Ozili, 2018; Basnayake et al., 2024). In the Indonesian MSME context, the result is also aligned with Askandar et al. (2026), Maharani et al. (2024), and Yuneline (2022), who position Islamic fintech as an instrument for expanding access. The distinction of the present study lies in its aggregate indicators: rather than respondent perceptions, it examines changes in fund volumes in fintech channels and public funds in BUS-UUS. Nevertheless, an R-squared of only 0.161 indicates that DPK is largely determined by other factors such as returns, household liquidity, banking promotions, Ramadan-Eid seasonality, salary payments, interest-rate conditions, and banks' deposit-mobilization strategies.

The relevance of this finding becomes stronger when linked to the 2026 SNLIK results. When national financial inclusion has reached 93.61% but Islamic financial inclusion remains only 13.24%, the main challenge is not merely the availability of technology, but the conversion of digital access into repeated and economically meaningful use of Islamic financial products (OJK, LPS, & BPS, 2026). Islamic fintech can serve as an entry point, but its inclusion

effect will be greater when users can move easily among Sharia-compliant investment, payment, savings, and financing services without facing repeated friction in identity verification, data exchange, or onboarding.

Discussion: Islamic Fintech and the Growth of Islamic Intermediation

The positive fintech coefficient on financing indicates that the expansion of Islamic digital channels moves in the same direction as the growth of BUS-UUS financing intermediation. This relationship may reflect complementarity rather than substitution. Sharia SCF serves a securities-based funding segment with particular project sizes and characteristics, while Islamic banking has substantially greater financing capacity and a broader range of instruments. As Islamic business activity expands, financing needs may be distributed across several channels simultaneously. In other words, SCF growth may signal rising demand and a deepening Islamic digital ecosystem that is also experienced by the banking sector.

This result is consistent with Nisar et al. (2026), who found that Islamic banking financing plays a positive role in Indonesia's economic growth in the short run. On the other hand, the finding of Laiya and Fathurrohman (2025) that Islamic financing is not significant for GDP is a reminder that greater intermediation is not automatically equivalent to higher output growth. Because Y2 in this study is BUS-UUS financing, the appropriate conclusion is that fintech is associated with the expansion of Islamic economic intermediation, not that fintech has been proven to increase Indonesia's GDP. This terminological distinction is important so that financial indicators are not interpreted beyond their scope.

Data from 2026 provide context showing that substantial room for growth remains. OJK reported that Islamic financial industry assets exceeded IDR 3,131 trillion in 2025, while Bank Indonesia reported that Islamic financing reached IDR 709 trillion as of May 2026 and the halal value chain grew by 6.21% in 2025 (OJK, 2026a; Bank Indonesia, 2026). On this basis, fintech can function as complementary infrastructure for channeling funds to halal MSMEs, halal food and beverage supply chains, Muslim fashion, Muslim-friendly tourism, and other productive sectors. However, policy success should be assessed by the quality of fund allocation and the performance of financing recipients, not merely by nominal platform growth.

Discussion: Why Was DPK Mediation Not Supported?

The insignificant path from DPK to financing in the first-difference model can be explained by differences in timing and liquidity mechanisms. Banks do not necessarily convert additional DPK into financing within the same month. Disbursement depends on the financing pipeline, risk assessment, capital adequacy, liquidity conditions, sectoral targets, and the

quality of prospective customers. Therefore, the relationship between fund mobilization and financing distribution may involve lags longer than one month. A 17-month sample is not sufficient to identify a complex lag structure reliably.

In addition, DPK is a proxy for the depth of Islamic banking usage, not a measure of inclusion that captures the number of users, transaction frequency, geographical access, affordability, and service quality. An individual may already be included in the financial inclusion index while maintaining only a small balance; conversely, an increase in DPK may originate from a small number of large depositors without expanding the number of users. The absence of significant mediation may therefore arise from a mismatch between the multidimensional concept of inclusion and the nominal nature of the DPK indicator. Widagdo et al. (2026) found an inclusion mediation effect at the MSME level using survey-based constructs, whereas this study does not find mediation using monthly aggregate indicators. These results need not be considered contradictory because the units of analysis and variable definitions differ.

From a policy perspective, this result underscores the need for better data integration. If regulators and industry participants can provide monthly series on active Islamic fintech users, transaction values, the number of successfully funded issuers, users' geographical origins, the number of active Islamic bank accounts, and productive financing by halal sector, the mediation mechanism can be tested with indicators that are closer to the underlying concept. Open finance and data standardization can shift the measurement of inclusion from mere product ownership toward active usage that genuinely supports economic activity.

Policy and Managerial Implications

First, regulators should promote interoperability between the Islamic fintech and Islamic banking ecosystems. Integration does not mean homogenizing business models, but rather enabling identification, payments, settlement, and consent-based data exchange to operate more efficiently. Sharia SCF can serve as a discovery channel for firms seeking capital, while banks can provide transaction accounts, cash management, follow-on financing, and treasury services. Such partnerships increase the likelihood that greater digital activity will develop into deeper Islamic financial relationships.

Second, inclusion strategies should combine Islamic financial literacy with digital literacy. The 2026 SNLIK gap shows that the use of Islamic finance still lags far behind the general financial system. Educational programs should move beyond explaining contracts alone and develop practical capabilities: distinguishing licensed from unlicensed platforms, understanding investment risks, interpreting profit-sharing schemes, managing account

security, assessing costs and tenors, and knowing complaint channels. Consumer protection must be embedded in inclusion strategies because expanding access without adequate governance can increase the risks of fraud, mis-selling, and over-financing.

Third, Islamic fintech providers need to strengthen issuer quality and data quality. Rapid growth in funds raised should be accompanied by due diligence, easily understandable disclosure, monitoring of fund utilization, and issuer performance reporting. For MSMEs, digital footprints may be used as alternative creditworthiness information, but their use must comply with privacy and fairness principles. Better data quality can reduce information asymmetry, support more accurate risk pricing, and strengthen investor confidence.

Fourth, the growth orientation should be explicitly linked to productive halal sectors. OJK and Bank Indonesia have shown that both the Islamic financial industry and the halal value chain are expanding. The next challenge is to strengthen linkages so that digital funding flows into supply chains that generate output, exports, employment, and productivity. Accordingly, the success of Islamic fintech should not be measured only by the amount of funds raised, but also by issuer survival rates, revenue growth, job creation, increases in production capacity, and the ability of enterprises to scale up.

5. CONCLUSION AND RECOMMENDATIONS

The study concludes that changes in Islamic fintech development, proxied by funds raised through Sharia SCF, have a positive and significant effect on changes in BUS-UUS DPK as a proxy for Islamic financial inclusion. Islamic fintech also has a positive effect on changes in BUS-UUS financing, both in the total-effect model and when DPK is included as a mediator. By contrast, changes in DPK do not significantly affect changes in financing over the monthly horizon, so the mediating effect of financial inclusion is not supported. Empirically, the findings indicate that during January 2024-May 2025, Islamic fintech channels are more closely associated with direct expansion of intermediation than with increased bank deposits as an indirect pathway.

The implication is that Islamic fintech development policy should focus on ecosystem integration rather than the growth of stand-alone platforms. Interoperability with Islamic banking, improvements in Islamic financial and digital literacy, stronger consumer protection, higher disclosure quality, and stronger financing links with productive halal sectors should become priorities. The gap between national financial inclusion of 93.61% and Islamic financial inclusion of 13.24% in 2026 indicates substantial room for expansion; however,

progress should be measured by active usage and economic impact, not merely by the number of access points or nominal funds.

This study has several limitations. Sharia SCF represents only one segment of Islamic fintech; DPK is a proxy for the depth of banking usage rather than an official inclusion index; and BUS-UUS financing is a proxy for intermediation growth rather than Islamic-economy GDP. Three observations of X were linearly interpolated, the study period covers only 17 months, and the model does not yet include lags, macroeconomic factors, seasonality, or potential long-run relationships. Future research should use longer series and indicators more closely aligned with the concepts, such as active fintech users, transaction values, the number of active Islamic bank accounts, productive financing by halal sector, and halal value-chain output. With sufficient data, ARDL, VECM, distributed-lag, or structural time-series models can be used to distinguish short-run and long-run dynamics more robustly.

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