The Digital Disclosure in The Banking Sector

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Abstract
Purpose: This study aims to analyze how banks disclose digitalization in their annual reports.
Methodology/approach: This study used content analysis for counting and observing the word 'digital' in the annual report. This study used one annual report of PT Bank Negara Indonesia (BNI) for the year of 2025. Analytical steps are performed on the annual report, including qualitative data analysis. Qualitative data analytics encompasses various key analytic tasks: coding, describing, comparing, grouping, conceptualizing, and developing theory
Results/findings: The results indicate that PT BNI's annual report discloses 10 codes related to digital disclosure. The codes are digitalization, end-to-end digitalization, digitalization of human capital processes, SME digitalization, digitalization of vendors and distributors, end-to-end digitalization of credit tools, credit card digitalization, digitalization and straight-through processing (STP), and digitalization of services.
Conclusions: The research results indicate that PT BNI's annual report has effectively disclosed information regarding digital resources covering ten aspects. This conclusion support the disclosure theory.
Limitations: This study only used one annual report form one company as a sample.
Contribution: This study contributed to disclosure theory.

Keywords: *digital, bank, Indonesia, content analysis*

1. Introduction

Financial Service Authority (Otoritas Jasa Keuangan/OJK) Regulation No. 21 of 2023 regulates the digital services that banks must provide to their customers. The regulation regulates about digital services, digital utilization, customer protection, and reporting. In the banking industry, digital transformation has come to mean adjusting to the needs of the contemporary world, where technology is becoming more and more integrated into daily life. Beyond simple automation, the digitalization of traditional banking activities signifies a fundamental change in the way financial organizations interact with their clients and provide value. According to Bueno et al. (2024) research topic trends related to banking digitalization consist of banking sector performance, digital finance and financial performance, technological reshaping, digital transformation, digital banking service quality, bank's growth roadmap strategy, digital-only bank, benefits and risk related to digital finance adoption, artificial intelligence, and blockchain/tokenization.

Using digital technology in the banking system changes how work is done and how people are managed, which leads to fewer workers needed because many tasks are now done automatically. There is a need to create a new system for handling digital changes in the bank (Litvishko et al., 2020). Bastari et al. (2020) explain that intrinsic motivation, perceived ease of use, and perceived usefulness are proven to have direct effect on the intention to use banking application. Bernini et al. (2022) examine that banks should treat digitalization as a strategic driver to be managed in combination with other factors, rather than as an isolated initiative.

Research conducted on digital disclosure in the banking sector employs a quantitative approach (Tjondro et al., 2022), explanatory quantitative (Ayu et al., 2026). Research employing a qualitative approach is still rarely conducted. In particular, research using content analysis to examine digitalization disclosure remains scarce (Hidayati & Alteza, 2025; Pratama et al., 2023; Pucheta-Martínez et al.,

2026). This study therefore aims to analyze how banks disclose digitalization in their annual reports by coding the reports.

2. Literature review and hypothesis development

The quality of accounting information is crucial for a company due to its impact on both internal and external users. Digitalization can enhance transparency and accuracy through the automation of financial reporting processes, thereby improving the quality of financial reporting (Pratama et al., 2023). Novita & Sebrina (2022) explain that accrual quality in the annual reports is reliable for investors and creditors. Sukhari et al. (2023) explain that digitalization information in the annual report is unstructured and unstandardized. Annual reports provide value relevance of digital disclosure for stakeholders.

Bernini et al. (2022) posits that there are several dimensions to the disclosure of banking digitalization. These dimensions are human, structural, and relational activities; human activities; structural activities; and relational activities. The dimension of human, structural, and relational activities consist of indicators relating to training activities for banks, procedure and process, and product solution for clients. The dimension of human activities consist of indicators relating to education and training expenses; benefit connected to digitalization. The dimension of structural activities consist of indicators relating to IT and digital facilities; use of big data. The dimension of relational activities consist of personnel commitment and motivation to develop organization; managing complaint and disputes.

3. Methodology

Banks make disclosures to signal to stakeholders that they are making investments and digital progress. Annual reports can be used to measure digitalization disclosures by banks (Alzoubi et al., 2026). Bernini et al. (2022) used content analysis to measure digitalization transformation.

This study employs a qualitative approach, specifically content analysis, to count and examine occurrences of the word 'digital' in an annual report. The analysis focuses on a single document: PT BNI's 2025 annual report. Analytical steps are performed on the annual report, including qualitative data analysis. Qualitative data analytics encompasses various key analytic tasks: coding, describing, comparing, grouping, conceptualizing, and developing theory. The first step involves reading the entire annual report of Bank BNI for the year 2025. The next step is to identify the word "digital" throughout the report. Coding, describing, comparing, grouping, conceptualizing, and theory development processes were performed manually.

4. Results and discussion

The aim of this research is to analyze how banks disclose digitalization in their annual reports. The results indicate that PT Bank BNI's annual report discloses 10 codes related to digital disclosure. The codes are digitized, digitalization, end-to-end digitalization, digitalization of human capital processes, SME digitalization, digitalization of vendors and distributors, end-to-end digitalization of credit tools, credit card digitalization, digitalization and straight-through processing (STP), and digitalization of services. Table 1 shows the result.

'Digitized' signifies that the Board of Commissioners will persist in urging the Board of Directors to enhance its information technology framework, enabling BNI to swiftly respond to the evolving and increasingly digital global financial environment. 'Digitization' resulted in enhanced efficiency by improving outlet functions, incorporating innovative sales strategies, and optimizing outlet operations via digital technologies, hybrid online-offline approaches, and bolstering backend systems. 'End-to-end digitalization' means conduct process reengineering for the retail and wholesale segments, particularly in the credit processing function, by implementing end-to end digitization and enhancing retail segment capabilities through BNI move. 'Digitalization of human capital processes' means digitizing human capital processes enhances management consistency across performance, employee development, and achievement tracking through data, while also improving all employee's access to human capital. 'SME (Small and Medium-sized Enterprises) digitalization' means introduced BNI direct business, an online

platform developed exclusively to support SME-sized enterprises so they can access comparable digital banking services as larger corporations.

'Digitalization of vendors and distributors' means through the merging of the BNIdirect and BNI direct platforms, BNI offers Supply Chain Solutions Inclusive Financing (SCF) aimed at enhancing working capital across the entire supply chain, from start to finish. Digitalization serves to not only improve funding accessibility for suppliers and distributors but also to build a management system that is more transparent and effective in handling liquidity. 'End-to-end digitalization of credit tools' means execution of multiple programs aimed at enhancing quality business expansion through the digital enhancement of credit oversight and management via RM Tools (Connect), Single Integrated Monitoring Tools (SIMON), along with comprehensive credit tools and strategies outlined in the organization's plan for 2024 to 2028. 'Credit card digitalization' means promote the digitization of offerings and broaden the reach within the merchant network and collaborations. 'Digitalization and straight-through processing (STP)' means optimizing digital platforms for foreign exchange and bond transactions, using data analytics for pricing and risk measurement, and enhancing the customer experience. 'Digitalization of services' means in 2025, employee management will focus on supporting the performance improvement agenda by optimizing business processes, strengthening capabilities, and accelerating service digitization. This approach reaffirms BNI's commitment to driving sustainable value creation through continued process optimization.

Table 1. Thick Description of the code 'digital'

Number	What are the different aspect	What is the context and meaning	How often is each aspect mentioned	Ref (Example)
1	Digitized	Creating a more digitized global financial landscape	Frequently	Page 52, 192, 194, 248, 281, 301
2	Digitalization	Digital transformation of outlets	Frequently	Page 64, 66, 247
3	End-to-end digitalization	Digital transformation in the retail and wholesale segments	Frequently	Page 68, 247
4	Digitalization of human capital processes	Utilization of technology in human capital	Frequently	Page 70
5	SME Digitalization	Leveraging technology for SME solutions	Frequently	Page 253, 294
6	Digitalization of vendors and distributors	Access to financing for vendors and distributors	Frequently	253
7	End-to-end digitalization of credit tools	Implementation of credit tools	Frequenty	Page 263
8	Credit card digitalization	Penetration of the merchant and partnership ecosystem	Frequently	Page 267
9	Digitalization and straight-through processing (STP)	Utilization of data analytics	Frequently	Page 279

10	Digitalization of services	Sustainable value creation	Frequently	Page 444

Source: Research data, 2026

5. Conclusion

The research results indicate that PT BNI's annual report has effectively disclosed information regarding digital resources covering ten aspects, namely digitized, digitalization, end-to-end digitalization, digitalization of human capital processes, SME digitalization, digitalization of vendors and distributors, end-to-end digitalization of credit tools, credit card digitalization, digitalization and straight-through processing (STP), and digitalization of services. This conclusion support the disclosure theory (Pratama et al., 2023). The findings are consistent with disclosure theory, indicating that BNI has transparently disclosed its digitized information. This study only used one annual report form one company as a sample. Future research agendas can expand to other types of companies and codes related to digitalization.

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