

Analysis of Business Environment Dynamics, Integrated Financial Conglomerate Risk Management, and Strategic Recommendations for a Bank Business Group (KUB)

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DOI: <https://doi.org/10.51583/IJLTEMAS.2026.150800139>

Received: 08 September 2026; Accepted: 13 September 2026; Published: 06 September 2026

ABSTRACT

The tightening of the minimum core capital requirement to IDR 3 trillion through Financial Services Authority Regulation (POJK) Number 12/POJK.03/2020 has triggered a fundamental structural transformation in the national banking industry, particularly for Regional Development Banks (BPD). The Bank Business Group (Kelompok Usaha Bank, KUB) scheme has emerged as a functional regulatory solution for small- to medium-sized BPDs to maintain their operational status as commercial banks without undergoing a full merger. This academic study aims to comprehensively analyze business environment dynamics, structural gap analysis, and the integrated risk management framework within the KUB strategic alliance between PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (bank bjb), as the ultimate parent entity (anchor bank), and PT Bank Pembangunan Daerah Jambi (Bank Jambi), as the member bank. By fully integrating the Dynamic Capabilities lens as the grand theory and Institutional Theory as the supporting theory, this research examines how isomorphic pressures (coercive, mimetic, and normative) drive Bank Jambi to build its internal adaptive capabilities (sensing, seizing, and reconfiguring) within the financial conglomerate ecosystem. Using a descriptive qualitative analysis approach grounded in empirical evidence, this study identifies three major post-consolidation strategic gaps: the Agency Conflict Gap, arising from the clash between the parent's purely commercial orientation and the regional government's development mandate; the Dependency Trap Gap, which threatens the member's strategic autonomy; and the Operational and Cultural Integration Gap in information and cyber-system interoperability. Furthermore, this paper formulates an Integrated Risk Management framework that must be consolidated by the ultimate parent entity to mitigate contagion risk, concentration risk, and cyber security risk across KUB subsidiary entities. As a final solution, a comprehensive strategic recommendation model is designed based on the Triple Bottom Line framework (Profit, People, Planet), underpinned by a strong governance foundation through a Dual (Dwitunggal) Shareholders Agreement. Concluding with a five-year implementation roadmap, this model is expected to guide the bank bjb-Bank Jambi KUB alliance away from a structural dependency trap and toward sustainable consolidation that preserves capital resilience while genuinely accelerating regional economic growth.

Keywords: Bank Business Group (KUB), Regional Development Bank, Dynamic Capabilities, Institutional Theory, Integrated Risk Management, Triple Bottom Line.

INTRODUCTION AND CASE URGENCY

Regulatory Background (POJK No. 12/POJK.03/2020)

Indonesia's banking industry is undergoing a massive and fundamental structural transformation as a result of tightened capital regulations. Through Financial Services Authority Regulation (POJK) Number 12/POJK.03/2020 on Commercial Bank Consolidation, the regulator requires commercial banks to raise their minimum core capital to IDR 3 trillion. This policy has created extraordinary pressure on Regional

Development Banks (BPD) throughout Indonesia. Since BPD capital structures are largely sourced from regional-government capital injections (regional budgets, or APBD), they frequently face constraints because they must compete with other regional spending priorities deemed more urgent. Banks unable to meet the core-capital threshold by the specified deadline face a difficult choice: pursue a national merger, downgrade their institutional status to a Rural Bank (BPR), or join a Bank Business Group (KUB) scheme. The KUB scheme has become the most rational strategic way out, as it allows a member bank to meet only the minimum core-capital threshold of IDR 1 trillion, provided it operates under the control and ownership of a parent bank (anchor bank) that acts as guarantor of the group's capital resilience.

Case Locus: The Strategic Alliance between bank bjb and Bank Jambi

The real-world case explored in this paper positions PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (bank bjb) as the Parent Bank (Anchor Bank) and PT Bank Pembangunan Daerah Jambi (Bank Jambi) as the Member Bank. Through the signing of a comprehensive Shareholders Agreement (SHA), bank bjb realized a strategic investment commitment in the form of a cash capital injection of IDR 221.47 billion into Bank Jambi's equity structure. This capital placement positions bank bjb as a Controlling Shareholder (PSP) alongside the Jambi Provincial Government, with an ownership stake of approximately 7.75%. This new ownership pattern forms a Dual Control (Dwitunggal) leadership structure, in which operational control and strategic direction are collectively aligned between the corporate interests of bjb, a publicly listed company under the ticker BJBR, and the regional-development aspirations of Jambi Province.

Table 1. New Share Ownership Structure and Capital Contribution Composition of PT Bank Jambi Following the KUB Alliance with bank bjb

Shareholder Component	Capital Contribution	Ownership Percentage	Control Status
Jambi Provincial Government & Regencies/Cities	IDR 2.63 Trillion	92.25%	Regional Controlling Shareholder
PT Bank Pembangunan Daerah Jabar Banten Tbk	IDR 221.47 Billion	7.75%	Parent (Anchor) Controlling Shareholder
Total Consolidated Core Capital	IDR 2.85 Trillion	100.00%	KUB bjb Conglomerate Ecosystem

Academic and Practical Problem Statement

Based on the urgency of the background described above, the problem statement of this paper is directed at answering the following strategic questions: (1) How does the KUB scheme affect Bank Jambi's financial performance, governance, and regulatory compliance before and after the alliance? (2) What new risk map emerges within the OJK's Integrated Financial Conglomerate Risk Management framework under the bank bjb KUB umbrella? (3) What forms of structural gap (gap analysis) arise from the encounter between listed-company commercial culture and regional banking bureaucracy? (4) What Triple Bottom Line-based sustainability strategy recommendation model is most appropriate to apply so that Bank Jambi does not lose its regional development mandate?

Research Benefits for Regional Stakeholders

Theoretically, this academic paper enriches the body of knowledge on banking consolidation in developing countries by integrating dynamic capabilities theory and institutional theory. Practically, this analysis can

serve as a formal reference instrument for the Financial Services Authority (OJK), bank bjb's senior management, Bank Jambi's board of directors, and the Jambi Provincial Government as the majority shareholder, in objectively evaluating the effectiveness of this strategic alliance.

SYNTHESIS OF CONTEMPORARY THEORY (THEORETICAL FRAMEWORK)

Grand Theory: Dynamic Capabilities (DC)

The Dynamic Capabilities theory, pioneered by Teece, Pisano, and Shuen (1997), defines capability as a firm's capacity to integrate, build, and reconfigure internal and external competencies to address rapidly turbulent business environments. In the context of a tightly regulated banking industry, David J. Teece (2007) divides dynamic capabilities into three essential microfoundation clusters: Sensing, Seizing, and Reconfiguring. For Bank Jambi, Sensing is operationalized as management's ability to detect business-continuity risks arising from the issuance of POJK No. 12/2020. Seizing is reflected in the board of directors' tactical courage in executing the bank bjb KUB agreement to secure core capital. Reconfiguring, meanwhile, is realized through the overhaul of operational systems, information-technology architecture, and work culture in order to synchronize the member bank's internal business processes with the parent bank's high-quality standards.

Supporting Theory: Institutional Theory (IT)

Institutional Theory, developed by Richard Scott (2014), together with the concept of institutional isomorphism by DiMaggio and Powell (1983), provides a complementary explanation that an organization's strategic decisions are not solely based on market-rationality motives, but are strongly driven by external environmental pressures in pursuit of socio-legal legitimacy (legitimacy-seeking behavior). This isomorphism is divided into three types: Coercive Isomorphism (regulatory pressure imposed by the OJK authority), Mimetic Isomorphism (Bank Jambi's imitation of bank bjb's successful pattern to reduce digital uncertainty), and Normative Isomorphism (adoption of professional banking competency standards such as the Basel III/IV committee and modern banking GCG governance).

Table 2. Synthesis of Dynamic Capabilities Microfoundations (Teece, 2007) and Institutional Isomorphism (DiMaggio & Powell, 1983) in the Regional Banking Industry

Theoretical Element	Dynamic Capabilities Perspective (Internal)	Institutional Theory Perspective (External)
Sensing & Coercive	Detecting the legal-status downgrade risk to BPR due to insufficient capital.	Formal regulatory pressure from POJK No. 12/2020 requiring IDR 3 Trillion in capital.
Seizing & Mimetic	Executing the SHA capital placement of the KUB with bank bjb worth IDR 221.47 Billion.	Imitating the successful alliance pattern of bank bjb with Bank Bengkulu to mitigate business risk.
Reconfiguring & Normative	Restructuring the core banking system and integrated risk management policy.	Adoption of open-bank GCG standards, professional certification, and OJK cyber-audit standardization.

Integrating the Theories with the Triple Bottom Line Sustainability Perspective

The final synthesis of combining these two theories forms a new sustainability framework. Institutional pressure creates the imperative for strategic adaptation, while dynamic capabilities capacity determines the effectiveness of the organizational response. The success of the KUB alliance must not be measured solely

by the fulfillment of formal capital requirements (Profit), but must also be assessed by its contribution to improving social financial inclusion (People) and its real contribution to regional environmentally-friendly financing (Planet), in line with the Triple Bottom Line principle (Elkington, 1998).

Macro-External Environment Analysis (Pestel)

The macro-external analysis uses the PESTEL method to evaluate the broad environmental factors affecting the conceptualization of the bank bjb-Bank Jambi KUB.

Political Dimension (P) and the Power Configuration of Regional Heads

Political factors are closely tied to the position of Regional Heads (Governors, Regents, and Mayors throughout Jambi Province), who act as Regional Controlling Shareholders. Local political interests often push BPDs to prioritize consumptive credit disbursement for civil servants or direct-appointment regional project financing. The entry of bank bjb as a co-controlling shareholder requires harmonizing regional political interests with purely corporate business governance.

Economic Dimension (E) and Evaluation of Bank Jambi's Financial Performance

From a macroeconomic standpoint, Bank Jambi had a very healthy financial foundation before joining the KUB. Bank Jambi recorded a high Return on Equity (ROE) ranging from 16.49% to 17.67%, total assets of IDR 13.2 trillion, and a Capital Adequacy Ratio (CAR) above 24%. However, its limited economic scale constrained Bank Jambi's capacity to disburse large-scale corporate financing due to the Maximum Lending Limit (BMPK) regulation.

Table 3. Summary of Key Financial Performance Indicators of PT Bank Pembangunan Daerah Jambi in the Pre-KUB Period

Financial Ratio	Pre-KUB Ratio Value	Bank Health Category
Return on Equity (ROE)	16.49% - 17.67%	Very Healthy / Highly Productive
Capital Adequacy Ratio (CAR)	24.12%	Well Above the Regulatory Threshold
Non-Performing Loan (NPL) Gross	1.85%	Very Low and Well Controlled
Total BOPO Ratio	71.50%	Highly Efficient Operationally

Social Dimension (S) and Public Financial Inclusion Expectations

The Jambi community expects Bank Jambi to retain its local character and regional sovereignty. Bank Jambi bears a socio-moral obligation to act as the driving force of financial inclusion for millions of palm-oil and rubber smallholders and MSME operators in rural Jambi who remain unreached by large commercial banks.

Technological Dimension (T) and Core Banking Migration Acceleration

Financial technology disruption is forcing BPDs to digitize their services rapidly. The KUB alliance provides tremendous benefit to Bank Jambi through membership in the bank bjb KUB's Technology, Cybersecurity, and Digital Forum. This accelerates the transfer of advanced digital banking technology without burdening Bank Jambi's internal research budget.

Ecological Dimension (E) and Banking ESG Parameters

Ecological factors require banks to integrate Environmental, Social, and Governance (ESG) principles into their lending activities. As a region dominated by the palm-oil and coal industries, Jambi Province requires Bank Jambi to develop green-financing assessment criteria aligned with Indonesia's Sustainable Finance Taxonomy (TKBI).

Legal Dimension (L) and Listed-Corporation Compliance

As a subsidiary within the bank bjb financial conglomerate, all of Bank Jambi's operations are bound by listed-corporation compliance regulations. Bank Jambi's financial statements must be audited on an integrated basis and consolidated into the bank bjb group's Annual Financial Report for reporting to the Indonesia Stock Exchange (IDX) and the OJK.

Cross-Matrix Synthesis of the PESTEL Macro-Environment Analysis

Table 4. Cross-Matrix Synthesis of PESTEL Macro-Environment Analysis Integrated with the Dynamic Capabilities and Institutional Theory Lenses

PESTEL Dimension	Dynamic Capabilities Theory Application	Institutional Theory Application
Political	Sensing the political policy direction of the Jambi and West Java regional governments.	Coercive: Demands for accommodating the dual regional-head interests.
Economic	Seizing new economies of scale to exceed the BMPK lending limit.	Normative: Global banking-industry ROE/ROA efficiency standards.
Social	Sensing shifting preferences of regional plantation customers.	Legitimacy: Strengthening Bank Jambi's image as the trusted local bank.
Technological	Reconfiguring the IT system through adoption of the bjb digital ecosystem.	Mimetic: Imitating the DIGI bjb platform to accelerate service delivery.
Ecological	Sensing opportunities to develop green palm-oil lending instruments.	Normative: Adoption of OJK-regulated sustainable-finance principles.
Legal	Seizing OJK conglomerate regulatory loopholes for competitive advantage.	Regulative Pillar: Absolute compliance with IDX consolidated audits.

Internal Analysis (Swot Based on Dynamic Capabilities)

Identification of Core Strengths

Bank Jambi's main strength lies in its very strong and loyal captive regional market share. Managing regional treasury funds, holding APBD deposits from all regencies and cities across Jambi Province, and disbursing payroll and multipurpose credit for tens of thousands of regional civil servants provide a stable and assured revenue stream. In addition, Bank Jambi benefits from very healthy pre-KUB financial

performance, with a gross NPL ratio kept below 2% and a productive Sharia Business Unit (UUS) achieving an ROA ranging from 2.97% to 3.19%.

Identification of Structural Weaknesses

A fundamental structural weakness is the bank's absolute dependence on the fiscal capacity of the regional government's APBD, which is inelastic and frequently loses out to other spending priorities. Other weaknesses include a limited digital commerce product portfolio and a human-capital competency gap in executing large-scale modern financial-market transaction architecture.

Identification of KUB Business Synergy Opportunities

Golden opportunities are wide open through leveraging bank bjb's position as Sponsor Bank to optimize centralized liquidity management. Other opportunities include collaborative syndicated financing disbursement across KUB member entities for the Trans-Sumatra Toll Road infrastructure project, the use of shared data-center infrastructure to reduce IT capital expenditure, and the expansion of co-branded Sharia product business alliances.

Identification of Political Control Dilution Threats

The greatest threat is the risk of dilution of the Jambi regional government's pure ownership control if bank bjb makes further aggressive equity capital additions in the future. Other external threats include the potential emergence of internal cultural resistance among Bank Jambi's human resources due to the shift in work rhythm from a regional bureaucratic style to a competitive capital-market culture.

Table 5. Comprehensive SWOT Analysis Matrix Based on Bank Jambi's Internal Adaptive Capabilities within the KUB Ecosystem

Internal / External Factor	Strengths	Weaknesses
Opportunities	SO Strategy: Leveraging the civil-servant (ASN) captive market and regional treasury funds to disburse syndicated infrastructure credit together with bank bjb.	WO Strategy: Using bank bjb's shared IT infrastructure to offset Bank Jambi's limited digital product variety.
Threats	ST Strategy: Maintaining the productive Sharia UUS ROA ratio to sustain bargaining power against bank bjb's commercial dominance.	WT Strategy: Drafting special Shareholders Agreement clauses to limit equity dilution and reduce work-culture resistance.

Integrated Financial Conglomerate Risk Management Analysis

OJK Financial Conglomerate Risk Framework

Under the OJK regulation on Integrated Risk Management for Financial Conglomerates, PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (bank bjb), as the Ultimate Parent Entity, is obligated to formulate, consolidate, and monitor the group's overall risk profile. Bank Jambi, as a subsidiary, must implement standardized and homogeneous risk parameters. This integrated risk management covers four critical cross-entity risks.

Mitigating Intra-Group Contagion Risk

Contagion risk is defined as the potential for liquidity problems or financial failure to spread from one

subsidiary to another within a single financial conglomerate. To mitigate this, the bank bjb KUB has built an intra-group liquidity support mechanism. Bank bjb acts as the group's internal Lender of Last Resort, providing committed emergency funding facilities (committed lines of credit) to Bank Jambi in the event of a sudden third-party fund (DPK) withdrawal in the Sumatra region, thereby preventing panic contagion from spreading to the national interbank money market.

Managing Concentration Risk

Concentration risk arises when loan disbursement is excessively concentrated on a single debtor group, industry sector, or geographic region. Through an integrated reporting system, bank bjb has established a Group-wide Exposure Limit. Corporate lending to palm-oil or coal debtors made separately by bank bjb and Bank Jambi to a single conglomerate debtor group must be calculated cumulatively so as not to exceed the safe threshold of 25% of total KUB conglomerate capital.

Standardizing Integrated Cyber Risk (Cyber & Technology Risk)

Integration of banking information-technology networks creates collective cyber vulnerability. A data breach or ransomware attack on Bank Jambi's local server could be exploited by hackers as a stepping stone to breach bank bjb's core network in Bandung. Mitigation is achieved by implementing a homogeneous cybersecurity architecture through a Shared Security Operations Center (SOC). This system performs real-time 24/7 cyber monitoring and enforces uniform customer-data encryption protection protocols across all points of the KUB network.

Reputational Risk and Reciprocal Legal Compliance Impact

Any internal fraud scandal, lawsuit, or regulatory compliance sanction affecting a Bank Jambi branch will have an instant reciprocal impact on the reputational sentiment of the bjb group. This could trigger a decline in BJBR's share price on the national stock exchange. Therefore, the KUB's integrated compliance committee is authorized to conduct periodic investigative audits to ensure GCG standardization is upheld without exception.

Table 6. Matrix of Financial Conglomerate Risk Identification, Intra-Group Exposure Limits, and Integrated Cybersecurity Parameters of the bank bjb KUB

Integrated Risk Category	Risk Definition & Conglomerate Impact	Key KUB Instrument	Mitigation	Safe Threshold Target Indicator
Contagion Risk	Local liquidity crisis spreading across the KUB banking group.	Committed liquidity lines from bank bjb as the anchor.		Interbank liquidity ratio > 12%
Concentration Risk	Over-exposure to palm-oil/coal financing of a single debtor group.	Implementation of a cumulative Group-wide Exposure Limit system.		Maximum 25% of total KUB Capital
Cyber Risk	Local server breach compromising bank bjb's core network.	Shared Security Operations Center (SOC) monitoring 24/7.		Zero critical cyber breach incidents
Reputational & Legal Risk	Internal branch fraud degrading BJBR's share price.	Periodic integrated compliance audits by an independent committee.		GCG governance rating of at least Score 2

Structural Gap Analysis

Agency Conflict Gap: Commercial Orientation vs. Development Mandate

The Agency Conflict Gap arises from a clash of organizational philosophical interests. Bank bjb, as a publicly listed company on the stock exchange, has a fiduciary legal obligation to maximize commercial profit to satisfy public investor expectations. On the other hand, the Jambi Provincial Government, as the regional controlling shareholder, demands that Bank Jambi act as a non-economic development instrument (development view) oriented toward providing subsidized financing for the high-risk agricultural public sector, which nonetheless brings substantial social benefit.

Dependency Trap Gap: Threat of Erosion of Member Strategic Autonomy

The Dependency Trap Gap reflects the risk of erosion of Bank Jambi's strategic sovereignty. There is a structural tendency in which all credit-policy decisions, capital-expenditure budget allocations, and branch-expansion direction decisions are dominated by bank bjb's board of directors in Bandung. This has the potential to reduce Bank Jambi's status to that of a mere marketing channeling agent for the parent group's commercial products, thereby stifling the creativity of genuine local product innovation in Jambi.

Operational & Cultural Integration Gap: System & Culture Interoperability

The operational-cultural gap is triggered by differences in digital maturity levels and work climate. The pace of AI-based cyber-technology innovation driven by bank bjb creates cognitive dissonance among the majority of Bank Jambi's internal human resources, who are accustomed to the conservative bureaucratic work rhythm of regional government. Early-stage core banking system interoperability issues triggered clearing-transaction obstacles in the first months of integration.

Table 7. Matrix of Structural, Agency, Operational, and Corporate-Culture Gap Identification Following the bank bjb-Bank Jambi KUB Consolidation

Gap Dimension	Expected Condition (KUB Target)	Actual Condition / Real Risk	Strategic Intervention Action
Agency Gap (Agency Conflict)	Harmonious balance between corporate commercial function and the regional development agency mandate.	Bank bjb's capitalist commercial decisions dominate and displace Jambi's development priorities.	Formalization of an SHA clause allocating a special regional-government veto vote share.
Dependency Trap	Bank Jambi grows independently and retains sovereignty over its local business strategy direction.	Bank Jambi loses independence, reduced to a mere channeling agent for bank bjb's products.	Granting special autonomy for retail product innovation based on Jambi's local commodity characteristics.
Operational & Cultural Gap	Instant cyber-IT system integration alongside adoption of an adaptive, competitive work culture.	Core banking system interoperability obstacles and cultural resistance among local staff.	Implementation of a structured, comprehensive Cross-Pollination Talent Program for cyber training.

Strategic Recommendation Model and Roadmap

To transform the KUB alliance into a sustainable consolidation instrument rather than ending up as a dependency trap, a comprehensive solution model is formulated based on the Triple Bottom Line framework, reinforced by a governance foundation.

Profit Pillar Strategy (Economic Sustainability)

- **Centralized Liquidity Management:** Optimizing the placement of Bank Jambi's excess liquidity in competitively-yielding short-term money-market instruments through the bjb treasury network.
- **Syndicated Lending Expansion:** Executing joint syndicated credit schemes across KUB subsidiary entities to finance the Trans-Sumatra Toll Road infrastructure project in the Jambi corridor.

People Pillar Strategy (Social Sustainability)

- **Mandate Protection Clause:** Locking in a written commitment to allocate at least 35% of the group's total credit disbursement to productive financing for MSMEs and independent palm-oil smallholders in Jambi Province.
- **Cross-Pollination Talent Program:** Organizing periodic transfer, rotation, and internship programs for Bank Jambi banking officers at bjb's T-Tower Bandung to transfer digital cybersecurity capabilities.

Planet Pillar Strategy (Environmental Sustainability)

- **Shared Green Financing Portfolio:** Developing a joint risk-subsidized financing scheme to disburse ISPO/RSPO-certified sustainable palm-oil plantation financing in Jambi.
- **Paperless Banking Migration:** Leveraging bank bjb's cloud and automation systems to digitize Bank Jambi's internal operational chain in order to reduce operational carbon emissions.

Governance Pillar Strategy (Shareholders Agreement Foundation)

- **Formalization of Dual (Dwitunggal) Veto Rights:** Incorporating a special protective veto clause for the Jambi Provincial Government in the General Meeting of Shareholders (RUPS) regarding the opening or closing of branch offices in remote rural areas, in order to safeguard the principle of financial inclusion.
- **Integrated Corporate Governance Framework:** Establishing a KUB-level Integrated Sustainability Committee tasked with overseeing compliance with the conglomerate's ESG indicators.

Five-Year Strategic Implementation Roadmap

Table 8. Five-Year Strategic Implementation Roadmap of the bank bjb-Bank Jambi KUB Based on the Triple Bottom Line Approach and Governance Foundation (2026-2031)

Horizon Stage	Transformation Focus	Key KUB Activities	Execution	Key Outputs
Short Term (Year 1)	Capital Stabilization, Legality, Basic Risk Management	Completion of the OJK Fit & Proper Test for the IDR 221.47 Billion capital injection. Harmonization of the Dwitunggal SHA deed.		Bank Jambi's core capital meets regulatory requirements. Legal documents protecting regional control formally ratified by OJK.

Medium Term (Years 2-3)	Digital Business Synergy Acceleration & Cyber Standardization	Core banking architecture migration, implementation of Shared SOC cyber monitoring, co-branding of Sharia UUS products.	Reduction in Bank Jambi's BOPO ratio, launch of an advanced mobile banking application, elimination of cyber incidents.
Long Term (Years 4-5)	ESG Strategic Independence & Regional Economic Sovereignty	Large-scale ISPO palm-oil financing penetration via syndication, full local strategic-direction sovereignty for Jambi.	Achievement of institutional independence, expansion of the green financing portfolio, measurable contribution to Jambi's regional GDP (PDRB) growth.

CONCLUSION AND ACADEMIC RECOMMENDATIONS

The conclusion of this comprehensive analysis confirms that the Bank Business Group (KUB) scheme between PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (bank bjb) and PT Bank Pembangunan Daerah Jambi (Bank Jambi) is a highly effective strategic alliance instrument for meeting the minimum core-capital obligation under POJK No. 12/2020, while simultaneously preventing Bank Jambi from being legally downgraded to BPR status. Through the lenses of Dynamic Capabilities and Institutional Theory, the convergence of internal adaptive bank capabilities with external regulatory pressure requires the formulation of a rigorous Integrated Risk Management framework to mitigate contagion risk, concentration risk, and cyber risk within the financial conglomerate. The recommended academic suggestions are as follows: (1) For the Financial Services Authority (OJK), it is necessary to issue specific derivative regulations that protect the minority voting rights of regional governments in KUB governance. (2) For bank bjb management as the parent, it is essential to prioritize the transfer of digital cyber capabilities while preserving Bank Jambi's strategic-direction autonomy so that it does not fall into a dependency trap. (3) For the Jambi Provincial Government, it is essential to lock in a commitment clause allocating at least 35% of productive credit to palm-oil MSMEs within the Shareholders Agreement, in order to ensure that the BPD's pure mandate as the driving force and primary agent of regional economic welfare development in Jambi is sustainably preserved.

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