



A STRATEGIC ROLE OF BPRS SRAGEN IN ENHANCING REGIONAL INCOME AND SUSTAINABLE FINANCE

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ABSTRACT

Sharia Rural Banks (BPRS) as Regionally-Owned Enterprises face the dual challenge of maximizing dividend contributions to Regional Original Revenue (PAD) while maintaining long-term financial sustainability. BPRS Sragen, 80.42% owned by the Sragen Regency Government, presents a strategic case for examining how regional Islamic financial institutions can optimize this dual role. This study aims to: (1) analyze ROI trends of BPRS Sragen from 2009 to 2024 as a measure of regional capital management efficiency; (2) identify internal and external strategic factors through SWOT analysis; (3) evaluate the pentahelix collaboration model involving government, academia, business, community, and media; and (4) assess the implementation of Net-Zero Bank principles as a sustainability commitment. A qualitative descriptive-analytical approach with a single case study strategy was employed. Quantitative secondary data from BPRS Sragen financial reports (2009–2024) were analyzed for ROI trends. Primary qualitative data were collected through semi-structured in-depth interviews with purposively selected informants, triangulated with internal documents and non-participant observation. Qualitative data were analyzed using Miles, Huberman, and Saldaña's interactive model. Findings indicate a consistent positive ROI trend over 16 years with dividend contributions exceeding regional targets. SWOT analysis reveals competitive strengths in local customer loyalty and government support, offset by threats from digital financial competition. Pentahelix collaboration is partially operational, with significant untapped potential in academic and media dimensions. Net-Zero Bank implementation remains nascent but aligns with Maqasid al-Shariah values. The convergence of financial efficiency, strategic planning, multi-stakeholder collaboration, and sustainability commitment positions BPRS Sragen as a replicable model for regional Islamic financial institutions. This integrative framework offers practical policy implications for BPRS governance reform across Indonesian regions, particularly in optimizing PAD contributions without sacrificing long-term sustainability.

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1. INTRODUCTION

Sharia Rural Banks (BPRS), as Regionally-Owned Enterprises (BUMD), occupy a structurally dual position: they are simultaneously expected to generate profit and return investment to regional treasuries through dividend payments, while serving as agents of sharia-based local economic development for micro, small, and medium enterprises (MSMEs) (Nazar et al., 2018; Said et al., 2020). This duality creates a fundamental managerial tension between maximizing short-term financial returns and sustaining long-term institutional viability and social legitimacy. Within strategic management theory, this tension is best understood through the lens of resource-based efficiency and stakeholder value alignment (Brigham & Houston, 2018), where sustained financial performance is a prerequisite for, not a trade-off against, broader developmental objectives.

Empirical data underscore the urgency of this challenge. According to the Ministry of Home Affairs of Indonesia's 1,057 BUMDs, national profit reached IDR 29.5 trillion, yet only IDR 13.02 trillion was deposited as dividends, a gap reflecting either profit retention policies or inefficiency (BPK RI Perwakilan D.I.Yogyakarta, 2025). At the regional level, Yahya and Syafitri (2024) documented that Central Java's 166 BUMDs, despite holding IDR 126 trillion in total assets, generated only IDR 600 billion in dividends, indicating that PAD contribution potential remains structurally underutilized. Inter-regional disparities are equally stark: in 2024, BUMD dividends in Pati Regency reached IDR 39.7 billion, compared to just IDR 11.8 billion in neighboring Rembang Regency, a gap that points to differences in strategic management capacity rather than structural advantage alone.

BPRS Sragen, a Perseroda 80.42% owned by the Sragen Regency Government, sits within this context. Its mandate to optimize dividend contributions to PAD must be reconciled with the demands of sustainable growth, competitive adaptation, and stakeholder accountability. Addressing this mandate requires more than monitoring financial ratios. Existing studies on BPRS performance, including Al-Homaidi et al. (2018), Ercegovic et al. (2020), and Macit (2012) have focused predominantly on the quantitative determinants of profitability such as ROA, ROE, NPF, FDR, and BOPO, consistently finding that operational efficiency and asset quality drive performance. While valuable, these studies share a common limitation: they analyze outcomes without examining the strategic, collaborative, and institutional mechanisms that generate them. They answer "what" but not "how" or "why" performance varies across institutions operating under the same regulatory framework.

This research gap is not merely methodological; it reflects a deeper theoretical lacuna. The performance of a regional Islamic financial institution is not reducible to financial ratios alone, as it is shaped by the quality of strategic planning, the breadth of stakeholder collaboration, and the institution's orientation toward long-term sustainability. Grounded in strategic management theory (David, 2011) and the sustainable finance framework (UNEP Finance Initiative, 2021), this study proposes an integrated analytical framework comprising four mutually reinforcing dimensions. First, Return on Investment (ROI) serves as a measure of regional capital management efficiency and the foundation for PAD contribution (Brigham & Houston, 2018). Second, SWOT analysis functions as a systematic diagnostic of internal capabilities and external contingencies that shape strategic direction (David, 2011). Third, the Pentahelix collaboration model, extending Etzkowitz and Leydesdorff's (2000) Triple Helix by incorporating community and media actors, provides a framework for understanding how BPRS Sragen builds institutional legitimacy and ecosystem value beyond its transactional banking role. Fourth, Net-Zero Bank principles derived from the ESG-oriented sustainable finance movement intersect, for Islamic institutions, with the Maqasid al-Shariah commitment to environmental stewardship (*hifdz al-bi'ah*) (Muhamad et al., 2022; Rahim et al., 2024; Zafar, 2026). These four dimensions form a sequential logic: financial efficiency enables strategic capacity, strategic capacity guides collaborative architecture, and collaborative architecture sustains long-term institutional legitimacy. No prior study has examined BPRS performance through this integrated lens, particularly in the context of a single regional institution with longitudinal financial data.

Pratiwi et al. (2024) demonstrated the effectiveness of Pentahelix collaboration in Central Java's tourism sector development, yet its application to regional Islamic banking remains unexplored. Similarly, the Net-Zero Bank framework (Forum for the Future, 2020) was designed for large global institutions, with no adaptation for micro or regional financial entities such as BPRS. This study addresses both gaps. Specifically, this research aims to: (1) analyze ROI trends of BPRS Sragen from 2009 to 2024 as a measure of regional capital management efficiency and dividend contribution to PAD; (2) identify internal and external strategic factors through SWOT analysis to map the strategic landscape of BPRS Sragen; (3) evaluate the form and impact of the Pentahelix collaboration model that BPRS Sragen has developed or could develop to support the regional sharia economic ecosystem; and (4) assess the implementation and potential of Net-Zero Bank principles as a manifestation of BPRS Sragen's long-term sustainability commitment.

2. RESEARCH METHODS

This research uses a qualitative, descriptive-analytical approach with a single case study strategy at PT BPRS Sragen. The choice of a qualitative approach is based on a research orientation that aims to deeply understand the "how" and "why" mechanisms behind institutional performance, rather than simply measuring relationships between variables statistically (Yin, 2017). The single case study was chosen because BPRS Sragen represents an information-rich and strategically relevant case as a regionally-owned Islamic banking company with a documented 16-year track record. The limitations of this design are consciously acknowledged: the findings are not intended to be statistically generalized, but rather to generate analytical generalizations that can serve as a reference for similar institutions in comparable contexts.

To strengthen objectivity and provide historical context, the qualitative approach is complemented by descriptive quantitative analysis. Quantitative data are sourced from PT BPRS Sragen's financial statements from 2009 to 2024, including balance sheets and income statements, which are used to calculate and analyze trends in Return on Investment (ROI) as an indicator of regional capital management efficiency. This ROI trend does not stand alone as a finding, but rather serves as an empirical baseline from which qualitative interpretations can be based. The pattern of ROI increases, decreases, or fluctuations is further interpreted through the perspectives of informants and a review of strategic documents, providing contextual explanations for the financial figures that cannot be achieved through statistical analysis alone.

Primary qualitative data was obtained through in-depth, semi-structured interviews with purposively selected informants, including the leadership and management of BPRS Sragen, representatives of the Sragen Regency Government, and actors within the Pentahelix model, such as academics, business actors, and local communities. Purposive selection carries the potential for confirmation bias, given that informants tend to be concerned with the institution's image. This potential bias was mitigated through method triangulation, namely by comparing interview results with secondary financial data and internal documents such as the Strategic Plan, Annual Report, and meeting minutes, and through member checking to verify the accuracy of the researcher's interpretations with key informants. Data were also enriched through non-participant observation of operational activities and ongoing sustainability initiatives. Qualitative data analysis followed the interactive model of Miles et al. (2020) and occurred simultaneously in three streams: data reduction through thematic coding based on SWOT categories, forms of collaboration, and sustainability initiatives; data presentation in matrix form and structured narratives; and ongoing drawing and verification of conclusions. The integration of quantitative and qualitative analysis occurred during the interpretation stage, where ROI trend findings and financial performance data were used to strengthen, challenge, or nuance the narratives emerging from interviews and documents. In this way, the research conclusions were not based on a single data modality but were built from the convergence of complementary evidence.

3. RESULTS AND DISCUSSION

Financial Performance and ROI Trend Analysis

Quantitative analysis of BPRS Sragen's financial reports spanning 2009 to 2024 reveals a broadly positive trajectory in both profitability and dividend contribution to Regional Original Revenue (PAD), though with meaningful fluctuations that carry analytical significance beyond simple trend description. Table 1 presents the longitudinal record of dividend nominal, regional government capital, government ownership share (SHM Portion), and ROI across the full 16-year observation period.

Table 1. BUMD's contribution to local government and regional development)

Year	Dividend nominal	Local government capital	SHM Portion	ROI
2009	230,576,882	2,800,000,000	90.32%	8.23%
2010	444,323,000	3,000,000,000	83.33%	14.81%
2011	450,773,647	3,000,000,000	83.33%	15.03%
2012	725,083,603	3,050,000,000	75.31%	23.77%
2013	908,217,989	4,000,000,000	75.00%	22.71%
2014	957,752,145	4,000,000,000	75.00%	23.94%
2015	1,345,187,891	7,000,000,000	83.47%	19.22%
2016	1,525,973,455	8,300,000,000	82.71%	18.39%
2017	1,773,939,510	8,300,000,000	74.37%	21.37%
2018	1,915,890,100	8,300,000,000	69.97%	23.08%
2019	1,745,131,265	8,300,000,000	59.48%	21.03%
2020	1,734,561,980	15,800,000,000	75.73%	11.34%
2021	2,283,876,226	15,800,000,000	75.73%	14.93%
2022	2,960,848,055	15,800,000,000	75.73%	18.73%
2023	4,043,937,325	20,800,000,000	80.42%	19.44%
2024	4,519,955,531	20,800,000,000	80.42%	21.73%

Source: Processed data (2026)

Three distinct analytical observations emerge from this table. First, ROI peaked during the 2012 to 2014 period, reaching 23.94% at its highest, coinciding with a phase of moderate capital injection and disciplined asset utilization. This pattern is consistent with Brigham and Houston's (2018) proposition that ROI performance is primarily determined by the efficiency of asset deployment relative to earnings generation rather than by the absolute scale of capital invested. Second, the sharp ROI contraction to 11.34% in 2020 is attributable to the economic disruption of the COVID-19 pandemic, which simultaneously suppressed financing demand and elevated provisioning requirements. The subsequent recovery to 21.73% by 2024, achieved despite a near-doubling of regional government capital from IDR 8.3 billion to IDR 20.8 billion between 2019 and 2020, demonstrates that management successfully recalibrated operational efficiency in response to substantially expanded capital obligations. This finding aligns with Azis et al. (2025) and Sriyana, (2015), who identify adaptive cost management as a critical driver of sustained profitability in Indonesian Islamic banking institutions.

Third, and most significantly, the SHM Portion column reveals a dynamic that has been absent from prior BPRS studies. The regional government's ownership share declined steadily from 90.32% in 2009 to 59.48% in 2019, reflecting a period of private capital entry, before recovering to 80.42% by 2023 and 2024 following substantial government capital injections. This ownership fluctuation has direct implications for dividend flows into PAD: when SHM Portion was at its lowest in 2019, the regional government received proportionally less of the dividend pool despite the institution recording a healthy ROI of 21.03%. The subsequent recapitalization increased both the government's ownership shares and its absolute dividend receipts, suggesting that the regional government's strategic decision to reinvest capital was motivated as much by fiscal recovery objectives as by developmental mandates. This ownership-dividend nexus has not been addressed in existing BPRS literature, which tends to treat government ownership as a static governance variable rather than a dynamic fiscal instrument.

The dividend contribution record further contextualizes these findings. As shown in Table 2, in 2024 BPRS Sragen deposited IDR 4.52 billion against a target of IDR 4.04 billion, achieving a realization rate of 111.88%.

Table 2. Realization of PAD Contribution in 2024

Information	Target	Realization	Achievement
PAD Dividend Deposit	4.04 M	4.52 M	111.88%

Source: Processed data (2026)

This outcome positions BPRS Sragen favorably against the national BUMD landscape documented by Ministry of Home Affairs of Indonesia, where aggregate profits of IDR 29.5 trillion translated into only IDR 13.02 trillion in dividends, implying a national dividend-to-profit conversion rate well below 50% (BPK RI Perwakilan D.I.Yogyakarta, 2025). The contrast indicates that BPRS Sragen's governance structure and profit distribution discipline operate substantially above the national norm, lending empirical support to the argument advanced by Yahya and Syafitri (2024) that management strategy capacity rather than asset scale is the primary determinant of PAD contribution outcomes among Indonesian BUMDs.

The Paradox of Growth Without Acquisition

The most analytically significant finding in this study is not the overall growth narrative but the internal contradiction embedded within it. Table 3 presents comparative business performance data for 2023 and 2024.

Table 3. Business Performance Growth (2023 vs. 2024)

	2023	2024	Growth
Asset	393,366,374,912.44	440,878,241,805.50	12.08%
Financing Os	333,278,275,135.00	373,132,986,501.00	11.96%
DPK	291,733,889,069.46	349,721,088,092.45	19.88%
Funding Received	44,312,506,854.88	33,371,213,264.94	-24.69%
Income	51,553,117,489.62	59,047,734,207.91	14.54%
Cost	23,617,990,273.98	26,073,273,674.93	10.40%
Profit	8,087,440,691.19	9,311,520,279.55	15.14%

Source: Processed data (2026)

The data present a paradox that descriptive reporting alone cannot resolve: asset growth of 12.08%, outstanding financing growth of 11.96%, DPK growth of 19.88%, and profit growth of 15.14% coexist with a funding received decline of 24.69%. The causal mechanism underlying this pattern appears to be a structural shift in portfolio composition rather than a generalized performance deterioration. Growth in outstanding financing driven by existing borrowers renewing or extending facilities, combined with elevated DPK growth, suggests that BPRS Sragen's customer base is deepening in loyalty and deposit behavior while the institution faces increasing difficulty penetrating new customer segments. This interpretation is reinforced by Table 4, which disaggregates financing and deposit acquisition performance at the account level.

Table 4. Financing Sales Performance (2023-2024)

Desc	2023			2024			Delta %
	Target	Realization	delta%	Target	Realization	delta%	
Total	50.604.43	51.553.117.49	101.87	60.551.157.6	59.047.734.2	97,52	114,54
Income	7.024	0		09	08		
Financing	-	1.221	-	-	1.183	-	96,89
NOA							
NOA DPK	-	44.530	-	-	51.424	-	115,48

Source: Processed data (2026)

The asymmetry between Financing NOA declining to 96.89% of the prior year and NOA DPK growing to 115.48% is theoretically revealing. BPRS Sragen is demonstrably more successful at attracting new depositors than new borrowers, indicating an asymmetry in institutional trust across the two sides of its balance sheet. Depositors perceive BPRS Sragen as a safe and credible custodian of savings, a perception reinforced by its governance reputation and social program visibility. Prospective borrowers, by contrast, appear increasingly responsive to competitive alternatives, particularly digitally-enabled fintech lenders that offer faster approval and lower documentation barriers. This finding extends the argument of Wartoyo (2026), who identify BOPO as the dominant determinant of BPRS profitability, by suggesting that the efficiency frontier for BPRS institutions is increasingly shaped not only by cost control but by the structural tension between relationship-based retention models and digitally competitive acquisition environments. The decline in funding received further compounds this challenge: reduced external funding constrains the loanable funds pool available for new financing disbursements, creating a feedback mechanism that could suppress financing growth in subsequent periods if unaddressed.

Health, Governance, and Cautionary Signals

Table 5 presents a three-year summary of BPRS Sragen's key health ratios and governance indicators, providing the regulatory and risk management context within which the above performance patterns occurred.

Table 5. Summary of Health and GCG Levels

Ratio	2022	2023	2024
NPF	3.16%	4.53%	2.96%
CAR	31.44%	25.64%	24.05%
KAP	97.52%	96.47%	97.62%
BOPO	76.94%	80.15%	79.98%
ROA	3.20%	2.84%	2.83%
FDR	112.64%	113.85%	111.45%
Cash Ratio	53.62%	43.28%	33.40%
ROE	32.07%	30.73%	35.38%
PPAP	111.71%	172.98%	318.02%

Source: Processed data (2026)

Three patterns in this table carry analytical weight beyond their face value. First, the Capital Adequacy Ratio declined from 31.44% in 2022 to 24.05% in 2024, a reduction of more than seven percentage points over two years. While both values remain well above the regulatory minimum, the trajectory indicates that asset expansion has been outpacing capital accumulation. When read alongside the government capital injections documented in Table 1, this suggests that external recapitalization is being absorbed by growth rather than building a proportionally stronger capital buffer, a dynamic that warrants monitoring in the context of the institution's medium-term expansion ambitions.

Second, the PPAP ratio escalated dramatically from 111.71% in 2022 to 318.02% in 2024, signaling an increasingly conservative provisioning posture. This elevated provisioning may itself constitute a partial explanation for the financing acquisition shortfall identified in Tables 3 and 4: more stringent internal credit standards, operationalized through higher provisioning requirements, would mechanically reduce the approval rate for new financing applications, suppressing NOA growth even in the absence of external demand constraints. This provisioning-acquisition mechanism represents a previously undocumented internal feedback loop in the BPRS performance literature and constitutes a contribution of this study to understanding how risk management posture shapes market-facing outcomes.

Third, the divergence between ROA remaining stable at approximately 2.83% and ROE rising to 35.38% in 2024 signals increased financial leverage rather than improved underlying asset productivity. While higher ROE is conventionally interpreted as a positive signal for equity investors, in the context of a regionally-owned institution whose primary stakeholder is the regional government, leverage-driven ROE growth carries governance implications. It suggests that the institution is generating higher returns on the government's equity stake partly through balance sheet leverage rather than purely through operational excellence, a distinction that matters for how the dividend contribution achievement in Table 2 should be interpreted. This finding is consistent with the broader concern raised by Al-Homaidi et al. (2018), Ercegovac et al. (2020), and Macit (2012) regarding the limitations of single-metric profitability assessments in capturing the full risk-return profile of BPRS institutions.

SWOT Analysis as a Diagnostic Instrument

Rather than functioning as a descriptive inventory of attributes, the SWOT framework in this study operates as a diagnostic instrument for explaining the performance patterns identified in the quantitative findings above. Table 6 presents the SWOT matrix derived from interview data, internal documents, and financial analysis, which serves as the empirical basis for the strategic interpretation that follows.

Table 6. SWOT Analysis Matrix of BPRS Sragen

	(S)	(W)
(O)	Solid financial performance: high ROI (21.73%), growing profits, and "Very Healthy" bank health rating. Excellent governance: GCG score of 96.25 and NPF of 0% in the KURDA program. Government trust: appointed as distributor of Sharia KURDA. Strong social reputation: recognized as a development agent through poverty alleviation programs, waste banks, and productive waqf. Innovation and digital capabilities: successfully implemented FOS, Mobile Banking, and other digital initiatives. Aligned human resource management: structured HR development programs aligned with business strategy.	New acquisition challenges: failure to achieve new financing sales targets in 2024 and decline in funding received. Potential dependency: flagship programs are highly dependent on government policy collaboration, particularly KURDA and PKH graduation, whose continuity is subject to policy change. Limited operational scale: geographical reach and capital capacity remain constrained relative to commercial banks.
(T)	Regulatory and government support: existence of TPAKD, the Adipura program, and national and regional poverty alleviation programs. Digital ecosystem growth: potential for broader collaboration with fintech and other digital platforms. Increasing public awareness: growing public interest in Islamic finance, environmental issues, and Islamic philanthropy including waqf. MSME market needs: high demand for accessible and affordable MSME financing. Pentahelix collaboration potential: significant room to expand engagement with universities, media, and community organizations.	Financial industry competition: fierce competition from conventional banks, large Islamic banks, and fintech lending platforms. Macroeconomic uncertainty: risks of inflation, rising interest rates, or economic slowdown affecting asset quality. Cyber and technology risks: increasing security vulnerabilities as digital technology adoption accelerates. Changing consumer behavior: customer expectations for faster, easier, and fully digital services are intensifying.

Source: Processed data (2026)

The convergence of superior governance, reflected in a GCG score of 96.25 and NPF of 2.96% in 2024, with strong government trust and an established social reputation, constitutes what David (2011) terms a strategic competence cluster: a combination of mutually reinforcing internal capabilities that is structurally difficult for competitors to replicate in the short term. This cluster provides a more satisfactory explanation for the sustained dividend performance and health rating achievements than any single financial ratio, and it contextualizes why BPRS Sragen's depositor base continued to expand even as borrower acquisition declined.

The weakness dimension reveals a strategic vulnerability that the aggregate numbers obscure. The failure to achieve the 2024 financing acquisition target, when read alongside the elevated provisioning posture documented in Table 5, suggests a compound mechanism: internal credit conservatism reduces approval rates while external competitive pressure from fintech and larger Islamic commercial banks constrains the pool of creditworthy applicants willing to engage with a relationship-based institution. In David's (2011) strategic management framework, this constitutes a W-T configuration in which an internal weakness intersects with an external threat to create compounding risk that could materialize as portfolio stagnation in the medium term if unaddressed through targeted strategic intervention.

The opportunity dimension points toward a resolution pathway grounded in the institution's existing capabilities. The growth of Indonesia's Islamic finance awareness, the expansion of government-linked programs such as TPAKD, and the demonstrated success of fintech partnerships such as the collaboration with Alami collectively represent an enabling environment for a hybrid acquisition strategy that combines BPRS Sragen's relational strengths with digital reach. The S-O strategic configuration that emerges from this analysis, namely leveraging social reputation and government trust to co-develop digitally accessible sharia financing products targeting younger and digitally-oriented MSME segments, is empirically grounded in demonstrated institutional capabilities rather than aspirationally imposed from external benchmarks. The W-O pathway similarly suggests that the financing acquisition challenge identified in Tables 3 and 4 could be partially addressed by deepening fintech partnerships for digital lead generation, converting the institution's depositor trust asymmetry into a borrower acquisition advantage through integrated digital onboarding mechanisms.

Pentahelix Collaboration as an Institutional Legitimacy Mechanism

The Pentahelix framework, extended from Etzkowitz and Leydesdorff's (2000) Triple Helix to incorporate community and media actors, provides theoretical purchase for interpreting BPRS Sragen's collaborative architecture beyond its transactional dimensions. The empirical evidence indicates that collaboration has been operationalized unevenly across the five helices. Government collaboration is the most institutionally embedded, manifested through the KURDA sharia financing mandate, integration into TPAKD structures, and alignment with PKH graduation programs. Business sector collaboration has deepened through fintech partnerships with Alami and housing financing coordination with PT Sarana Multigriya Finansial. Community engagement is substantiated through waste bank fostering, productive waqf facilitation, and MSME digitalization programs that collectively represent a measurable social footprint.

However, the academic and media dimensions remain comparatively underdeveloped. No evidence of systematic research collaboration, knowledge transfer programs, or co-produced financial literacy curricula with universities was documented. Media engagement appears largely reactive and promotional rather than strategically deployed for institutional legitimacy building. This asymmetry matters theoretically because Pratiwi et al. (2024), in their analysis of Penta Helix collaboration in Central Java's tourism sector, emphasize that synergy and strong commitment among all stakeholders are the primary drivers of effective development, with each helix playing complementary and interdependent roles in achieving optimal outcomes. The partial activation observed at BPRS Sragen therefore represents unrealized potential that, if developed, could strengthen both the institution's knowledge base and its public legitimacy in ways that directly support the financing acquisition challenge identified above. Specifically, academic partnerships

could generate independent credibility signals that reduce prospective borrowers' perceived risk of engaging with a regional Islamic institution, while strategic media engagement could position BPRS Sragen's social programs as markers of institutional trustworthiness rather than peripheral corporate social responsibility activities.

The causal link between Pentahelix collaboration and financial performance operates through the mediation of institutional legitimacy and market trust rather than through direct revenue generation. Community-based programs and government endorsements reduce the perceived risk of engaging with BPRS Sragen among prospective depositors and borrowers, lowering acquisition costs and increasing retention rates. This mechanism helps explain the NOA DPK growth of 115.48% documented in Table 4: depositor confidence, cultivated through social programs and governance reputation, proved more elastic than new borrower acquisition in the current competitive environment, producing the balance sheet asymmetry that defines BPRS Sragen's current strategic challenge.

Net-Zero Bank Principles and Contextual Sustainability

The application of Net-Zero Bank principles to BPRS Sragen requires conceptual adaptation rather than direct transposition. The framework elaborated by UNEP Finance Initiative (2021) was designed for large global commercial banks with sophisticated emissions tracking infrastructure and diversified international portfolios. Applying this framework without adaptation to a regional Islamic microfinance institution would be analytically inappropriate and practically unworkable. What the empirical evidence reveals instead is a contextually calibrated sustainability practice that aligns with ESG principles across all three dimensions without employing the formal Net-Zero nomenclature.

On the environmental dimension, paperless documentation initiatives, electronic signature implementation, and transaction digitalization reduce operational carbon intensity in ways that are proportionate to the institution's scale, though the absence of formal carbon accounting prevents precise quantification. On the social dimension, poverty alleviation program integration, MSME digitalization fostering, productive waqf facilitation, and qardhul hasan financing through the Alami partnership constitute measurable social impact activities that align with the social pillar of ESG and, more fundamentally, with the Maqasid al-Shariah imperatives of *hifdz al-mal* and *hifdz al-nafs*. On the governance dimension, the GCG score of 96.25 and the PPAP trajectory documented in Table 5 provide objective evidence of governance quality and risk conservatism that meets the substantive standards implied by the Net-Zero Banking Alliance's governance requirements, even in the absence of formal ESG reporting infrastructure.

This finding extends the argument of Muhamad et al. (2022), Rahim et al. (2024), and Zafar (2026) by demonstrating that the substantive commitments of the Net-Zero framework are achievable by regional Islamic financial institutions through institutionally appropriate mechanisms. The theoretical contribution is a proof of concept for a scaled and contextually embedded sustainability model that other BPRS and regional BUMD institutions could adapt, rather than a wholesale adoption of frameworks designed for a fundamentally different institutional scale and operating context. Taken together, the convergence of financial efficiency, strategic planning capacity, collaborative architecture, and sustainability orientation positions BPRS Sragen not merely as a high-performing regional bank but as an empirical case for how Islamic financial institutions at the sub-national level can construct integrated value creation models that serve simultaneously as fiscal instruments, development agents, and sustainability practitioners.

4. CONCLUSION

This study demonstrates that BPRS Sragen has successfully constructed an integrated value creation model that operates simultaneously as a fiscal instrument, a development agent, and a sustainability practitioner. Four principal conclusions emerge from the analysis. First, ROI performance over the 2009 to 2024 period confirms that regional capital management efficiency at BPRS Sragen consistently exceeds national BUMD norms, with dividend contributions to PAD

reaching 111.88% of target in 2024 despite near-doubling of government capital injections since 2020. Second, the SWOT analysis reveals that institutional strength is concentrated in governance quality and social legitimacy rather than in scale or product diversity, positioning BPRS Sragen in an aggressive S-O strategic configuration that is nevertheless vulnerable to a W-T compounding risk driven by financing acquisition decline and fintech competition. Third, Pentahelix collaboration has been meaningfully operationalized across government, business, and community dimensions, but the underdevelopment of academic and media helices represents a structural gap that constrains the model's full legitimacy-building potential. Fourth, BPRS Sragen's sustainability practices constitute a contextually calibrated ESG model aligned with Maqasid al-Shariah principles, demonstrating that Net-Zero Bank commitments are achievable at the regional Islamic banking scale through institutionally appropriate mechanisms rather than through direct adoption of global frameworks.

The primary policy implication of these findings is that regional governments should treat BPRS institutions not merely as dividend-generating assets but as strategic platforms for financial inclusion, poverty alleviation, and sustainable development. Regulatory incentives that reward measurable social impact alongside financial performance would better align institutional behavior with the dual mandate these institutions are expected to fulfill. For BPRS practitioners, the most urgent operational priority is resolving the depositor-borrower trust asymmetry identified in the acquisition data, through hybrid digital-relational acquisition strategies that leverage existing governance reputation while extending reach to digitally-oriented MSME segments.

This study carries two explicit limitations that bound its generalizability. The single-case design, while analytically rich, produces findings that are generalizable analytically rather than statistically, meaning that the integrative framework proposed here requires validation across multiple BPRS institutions and regional contexts before broader prescriptive claims can be made. Additionally, the reliance on purposively selected informants introduces the possibility of institutional self-presentation bias that triangulation partially but not fully mitigates. Future research should therefore pursue comparative multi-case studies across BPRS institutions in different regional fiscal contexts, longitudinal analysis tracking how the provisioning-acquisition feedback mechanism evolves across economic cycles, and demand-side investigation of borrower behavior to complement the supply-side perspective presented here.

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