Is Zakat Fund Management Better Post-Merger Islamic Bank?

Ainul Fatha Isman[1], Muh. Ahsan Kamil[2], Muhammad Hasbi Zaenal[3]
[1]State Islamic University Syarif Hidayatullah Jakarta
[2]State Islamic University Syarif Hidayatullah Jakarta
[3]State Islamic University Syarif Hidayatullah Jakarta

Paper was presented at the 7th Indonesian Conference of Zakat (ICONZ) 2023
November 07-08, Muhammadiyah University Jakarta, South Tangerang, Indonesia

ABSTRACT

Indonesia's zakat fund management system consists of the Amil Zakat Agency and the Amil Zakat Institution. In addition, BAZ and LAZ are assisted by the Zakat Collection Unit, one of which is Sharia banking. One of the dynamics of the development of Sharia banks is the merger policy of state-owned Sharia banks, namely Bank Mandiri Syariah, BNI Syariah, and BRI Syariah to become Bank Syariah Indonesia, which is expected to have a positive impact on their social functions. This research analyzes the management of zakat funds in Sharia banks pre-post merger. The method used in this research is a quantitative method with a descriptive statistical approach and the paired sample t-test parametric test. The data collection method used is secondary data in the form of Sharia banking financial reports pre-post merger and previous literature relevant to the research topic. This research indicates significant differences in zakat management in Sharia banking pre-post merger. Zakat management in Sharia banking is better and has increased post-merger. The implications of this research illustrate the need for solid institutional synergy between zakat institutions and Sharia banking by maximizing resources and strengthening the zakat philanthropy ecosystem through the dynamics of policies related to enhancing the Sharia economy.

Keyword: *Zakat, Management, Merger, Islamic Bank*

INTRODUCTION

Zakat is one of the pillars of Islam, which is fardhu a'in (obligatory for every Muslim), which fulfills the requirements by spending part of one's assets to be distributed to mustahik through the zakat (amil) agency (al-Utsaimin, 2008). Zakat provides a strong foundation for the ummah's economic growth, which contains spiritual and worldly values (Haryadi et al., 2022). If zakat funds are managed well, they will undoubtedly have a tangible impact on economic, social, and moral aspects (Marpaung, 2020).

Good zakat management can function to realize social and economic justice as a social instrument, such as humanitarian aid, and aims to purify the property and soul of the muzakki so that they are not greedy (Nasution et al., 2022). The management in question includes planning, implementation, and coordination in the collection, distribution, and utilization of zakat.

Zakat management in Indonesia combines two systems known in the Islamic world, namely the zakat management system by a semi-government institution, namely the National Zakat Amil Agency (BAZNAS), and the zakat management system managed by the community, namely the Zakat Amil Institution (LAZ), which of course still refers to regulations. Set by the government (Mujiatun, 2018). This model positions the state as a facilitator and regulator so that the community can participate in zakat management and ensure that zakat management is carried out optimally (Haryadi et al., 2022).

Applying these two systems aims to encourage the effectiveness of zakat management institutions as one manifestation of this system, namely allowing BAZNAS to form zakat collection units by Sharia banks. These provisions are regulated in Article 53, paragraph 2 of Government Regulation Number 14 of 2014 concerning the implementation of Law no. 23 of 2011.

Islamic banks have two main functions: a business function by carrying out collection, distribution, and banking services and a social function by forming baitul mal to receive zakat, infaq, alms, grants, endowments, and other social funds. This has been regulated in Law No. 21 of 2008 in Article 4. The presence of this regulation is a response to the high potential for zakat, but it cannot be accommodated optimally, so it is appropriate for Sharia banks as a manifestation of Islamic values and commitment to the issue of socio-economic inequality to contribute to encouraging the realization of social welfare which is in line with the economic development of the ummah through sharia instruments (Nurnasrina & Putra, 2021).

Sharia Banking Statistics data for 2020 shows that of the 14 Sharia banks registered with the Financial Services Authority, 10 Sharia banks carry out the function of managing zakat funds, including Bank Mandiri Syariah, BNI Syariah, BRI Syariah with a total collection of zakat funds of Rp. 28,517,750 in 2020, an increase from the previous year of Rp. 27,395,250 (Nurnasrina & Putra, 2021).

Then, on February 1, 2021, the three banks merged under the name Bank Syariah Indonesia. The Financial Services Authority officially issued a permit to form BSI on January 27, 2021, with letter number SR-3/PB.1/2021, regarding granting permission to merge PT Bank Syariah Mandiri, PT BNI Syariah, and PT BRI Syariah into PT Bank Syariah Indonesia Tbk. (Utari et al., 2022).

Indupurnahayu et al., (2022) explained that the main aim of carrying out Sharia bank mergers is, of course, to increase the competitiveness of Sharia banks at the national and international level, as well as becoming a pivot for the development of the Sharia economic ecosystem in Indonesia. In realizing this goal, the most impactful aspect of the merger is improving operational performance (Mamun et al., 2021). This increase is a strength of Sharia banks in accommodating the potential of zakat funds, which still need to be maximized by zakat management organizations.

Another impact of the merger decision is increasing the quantity and quality of Sharia financial services, management efficiency, profitability, and liquidity of Sharia banks (Indupurnahayu et al., 2022). Of course, all these aspects also indirectly positively impact the management of zakat funds in sharia banks, both internally to the bank in its management system and externally, namely to customers or muzakki.

The emergence of the merger phenomenon raises questions regarding whether the management of zakat funds in Islamic banks will be better after the merger or vice versa. This is important to observe because to increase the usefulness of zakat, it should be accompanied by the effectiveness and efficiency of its management (Haryadi et al., 2022).

However, several previous studies, such as those conducted by Hasan, (2020) and Putra et al., (2018) only discussed the efficiency of Sharia banking in managing social funds and only observed differences after the merger of Sharia banks. Research that analyzes the performance of Islamic banks after the merger includes Kornitasari et al., (2022) and Yusuf & Ichsan, (2021) which discusses financial aspects in general, and Apsari et al., (2022), which describes the synergy of Bank Syariah Indonesia and the National Amil Zakat Agency. in strengthening the zakat ecosystem.

Based on the previous description, Sharia banking is a financial institution that has a social function in encouraging the optimization of zakat, so it needs to be studied further after the merger policy is implemented. Apart from that, studies on zakat management in Islamic banks by comparing pre-post mergers have yet to be studied comprehensively. This research analyzes the comparison of zakat management pre and post-sharia banking mergers.

LITERATURE REVIEW

Zakat Management

Zakat management is the process of achieving the goals of zakat institutions through planning, organizing, directing, and controlling organizational resources effectively and efficiently (Furqon, 2015). Management of zakat as regulated in Law of the Republic of Indonesia No. 23 of 2011 concerning Zakat Management involves planning, organizing, implementing, and supervising zakat collection, distribution, and utilization. Not only that, supervision by the government and religious figures is also regulated in Law No. 38 of 1999 to ensure that zakat management is more organized, professional, and transparent. If errors or omissions occur in recording zakat assets, they will receive heavy sanctions and even be considered a criminal offense (Zubaidah & Afifah, 2020).

In Indonesia, there are two types of zakat management organizations based on the Decree of the Minister of Religion No.373 of 2003, namely Zakat Amil Agency (BAZ), 1) Zakat Management Organization formed by the government with the task of collecting, distributing and utilizing zakat by religious provisions. 2) Zakat Amil Institution (LAZ), namely the Zakat Management Organization, was formed by the community and confirmed by the government to carry out activities for collecting, distributing, and utilizing zakat by religious provisions. The objectives of zakat management stated in Law No. 23 of 2011 article 3 concerning zakat management are: First, increase the efficiency and effectiveness of services following the utilization targets that have been set. Second, overcoming poverty and realizing prosperity through the benefits of zakat (Mujiatun, 2018).

It must be managed by an organization or institution, bearing in mind that the professionalism of management and human resources is essential in creating public trust. Al-Ayubi et al., (2018) explain that the Al-Quran orders the government or state departments to withdraw and distribute zakat funds. Therefore, the government is obliged to become a facilitator in the management of zakat funds so that they can be well organized nationally. However, because Indonesia is not an Islamic country, the government cannot intervene too profoundly because it concerns worship.

Along with developing the potential of zakat funds managed by zakat amil institutions, it is also accompanied by challenges in its management. One of the big problems faced by zakat management institutions or organizations is the need for more professionalism of human resources who collect zakat (Asman et al., 2023).

Therefore, managing zakat funds in Sharia banking is the right strategy because banking institutions have advantages in professionalism, accountability, and networking to optimize collection and distribution. Regarding security, Islamic banks are also superior to other institutions because they have sound risk mitigation, management, and supervision capabilities. In addition, adequate technological infrastructure will undoubtedly make it easier for muzakki to distribute their zakat, for example, by paying via transfer at an ATM, mobile banking, SMS banking, or online banking (Raudhah et al., 2019 and Saptono, 2019).

Zakat Regulations in Sharia Banking

Regulations related to the management of zakat funds in Indonesia began with the issuance of Law No. 38 of 1999 concerning the governance of zakat fund management, which was later replaced by Law No. 23 of 2011 because the previous law was no longer relevant to current developments and had several shortcomings. This new law concerns guidelines regarding the centralization of zakat management where the government, in this case, the National Zakat Amil Agency (BAZNAS), as the regulator and organizer, is assisted by the Zakat Amil Institute (LAZ) (Yahya, 2020).

Furthermore, the permission to manage zakat funds in Sharia banks is contained in Government Regulation 14 of 2014 concerning the implementation of Law Number 23 of 2011 Article 53 paragraph 2. BAZNAS can collect zakat through zakat collection units (UPZ) formed in the business entity's state property. This regulation allows Islamic banks to become an instrument encouraging increased collection of zakat funds.

Regulations regarding managing zakat funds in Sharia banks also align with banking laws. According to Law Number 7 of 1992 concerning banking Article 1 paragraph 1, banks function as intermediary institutions that collect funds from the public in the form of savings and channel them back to the community to improve living standards. (Aristoni, 2018).

Law Number 21 of 2008 emphasizes the function of Sharia Banking in Article 4, paragraph 2, that apart from being a profit-oriented commercial institution, Sharia banks also act as social institutions (Bait al-mal) that collect Islamic philanthropic funds such as zakat, infaq, alms, grants, and other social funds to be distributed to zakat management organizations (Antonio, 2001). It is hoped that the expansion of the bank's functions will be able to capture and manage zakat funds to make them more integrated.

Islamic Banking Merger

Generally, take two patterns. First, establishing Islamic banks side by side with conventional banks (dual banking system) and second, restructuring the banking system by Islamic law (completely fledged Islamic Financial System). The role of regulation is a crucial point in both models because all initial Sharia banking initiatives begin with adequate regulatory support (Umam & Antoni, 2019). Various policies have been implemented to prove the existence of Sharia banking and increase its competitiveness. One alternative policy that can be implemented by Sharia banking is conducting a merger.

A merger combines companies or assets through various financial transactions, including asset purchases and management acquisitions. (Alao, 2010). Kobayashi & Bremer (2022) defines a merger as a form of union of two or more existing entities, in part or whole, because there is a consensus in will or interests so that they become one unit. According to the definition of the Encyclopedia of Banking and Finance, a merger is: "*a combination of two or more corporations, where the dominant unit absords the passive unit, the former continuing, usually the same name* (Woelfel, 1955). A merger is a legal activity where two or more organizations merge, and only one company survives as a legal entity (Danjuma, 2021).

Mergers are categorized into three types, namely horizontal mergers, vertical mergers, and conglomerate mergers. A horizontal merger is between two or more companies operating in the same field. Vertical mergers are vertical integration between upstream companies entering a downstream industry or vice versa. A conglomerate merger is between two companies with entirely different types of business vertically and horizontally (Budianto, 2004). Mergers are carried out in companies with similar products that complement each other. A merger will create high value if it is carried out in companies with competitors in the same industry or a horizontal merger (Ahdizia et al., 2018).

The implementation of the Sharia banking merger policy refers to several regulations in the country, which include Law Number 40 of 2007 concerning Limited Liability Companies, Law No. 21 of 2008 concerning Sharia Banking, Financial Services Authority Regulation Number 41/POJK.03/ 2019 concerning Requirements and Procedures for Merger, Consolidation, Takeover, Integration and Conversion of Commercial Banks as well as Bank Indonesia Regulation Number: 14/24/PBI/2012 concerning Sole Ownership in Indonesian Banking.

The social context in Islam covers all dimensions of life, such as the practice of muamalah in Sharia banking services (Darmalaksana, 2022). Sharia banks are expected to carry out a social mission to achieve prosperity, especially in Muslim countries (Hakim & Dalimunthe, 2022). Sharia banking in Islamic accounting has four functions: investment management, investment, financial services, and social services. The concept of Islamic banks requires that they provide social services through benevolent funds, zakat, waqf, and other social funds (Muhammad, 2005).

DATA AND METHODOLOGY

This research uses descriptive quantitative methods and a statistical approach to the Paired Sample t-test parametric test. Quantitative descriptive to analyze zakat funds based on Sharia banking financial reports before and after the merger. Difference test statistics are used to analyze differences in the management of zakat funds in Sharia banking before and after the merger.

The paired sample test is a test of two paired samples to analyze whether the two related samples have mean values that are significantly different or not. The Wilcoxon test is similar because it is also an analysis of the observation that two paired data have differences or not based on interval data.

The data collection method used in this research is secondary data. The secondary data used are Sharia banking financial pre-post merger and Sharia banking statistics obtained from the Financial Services Authority report. Other data comes from a literature review by searching scientific articles and several sources relevant to the research theme.

In the analysis of the Paired Sample t-test parametric tests, the research hypothesis is classified as follows:

H_o: There is no significant difference in zakat funds pre-post merger Islamic bank

H_a: There are significant differences in zakat funds pre-post merger Islamic bank.

RESULT AND DISCUSSION

Descriptive Statistics of Zakat Management in Sharia Banking

Management of Sharia banking zakat funds pre-post merger based on Sharia banking quarterly financial reports for the 2019-2020 period.

Table 1. Zakat Fund in Sharia Bank

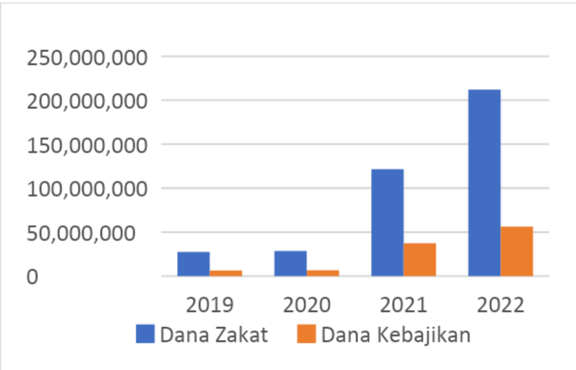
Year	Month	Zakat Fund
2019	March	24.377.000
	June	25.514.000
	September	29.290.000
	December	30.400.000
	Total	27.395.250
2020	March	25.798.000
	June	28.391.000
	September	29.350.000
	December	30.532.000
	Total	28.517.750
2021	March	72.900.000
	June	67.612.000
	September	114.155.000
	December	231.813.000
	Total	121.620.000
2022	March	158.902.000
	June	216.653.000
	September	156.616.000
	December	315.924.000
	Total	212.023.750

Source: Sharia Banking Statistics, 2023.

Based on table 1, zakat management pre-merger in 2019 and 2020 experienced an increase. Zakat management in Sharia banking increased from 2019 by Rp. 27.395.250 to Rp. 28.517.750 in 2021. Sharia Banking zakat management increased consistently every quarter during the two years pre-merger.

Zakat management post-merger in 2021 and 20202 has increased. Zakat management in Sharia banking increased from 2021 by Rp. 121.620.000 to Rp. 212.023.750 in 2022. However, Sharia banking zakat management experienced quarterly fluctuations post-merger.

Figure 1. Sharia Banking Zakat Management Pre-Post Merger



Source: Sharia Banking Statistics Processed, 2023.

The graph above shows that zakat management in Sharia banking for four years has continued to increase consistently. Zakat management two years pre merger Sharia banking reached Rp. 55.913.000, while post- merger, it reached Rp. 333.643.750. Compared to the period pre- merger, zakat management experienced an increase of 72.06% post-merger Sharia banking policy.

This increase can be a primary indicator of the impact of merger policies on the philanthropy-based Sharia financial ecosystem. Sharia banking mergers provide a new paradigm for optimizing the enormous potential of zakat. This also strengthens the regulations governing sharia banking functions that are both profit-oriented and socially oriented.

Paired Sample Test Results

The Paired Sample Test assessment is the asymp sig value. (2-tailed) < 0.05, then there is a significant difference (Ho is rejected, and Ha is accepted). Meanwhile, the asymp value sig. (2-tailed) > 0.05, so there is no significant difference (Ho is accepted, and Ha is rejected).

Tabel 2. Paired Sample Test Results

Pair	Mean	Std.Dev	t	Sig.
Zakat Pre-Merger	27956.50	2388.978	4.772	0.002
Zakat Post-Merger	166821.88	84973.133		

Soure: Output SPSS 2023.

Table 2 shows that the hypothesis results obtained in the paired sample test of zakat management in Islamic banks before and after the merger have a sig.s\ of 0.002 with a degree of error set at 0.05. This shows that the sig value. 0.002 < 0.05. This means the sig value. It is smaller than the degree of error, so Ho is rejected, and Ha is accepted. So, the management of Sharia banking zakat before the merger and after the merger has significant differences.

The mean value of zakat management pre-merger was 27956.50 with a standard deviation of 2388.978, which shows that the standard deviation value is smaller than the mean value. It can be concluded that zakat management is said to have been a good pre-merger. The mean value of zakat management post-merger is 166821.88 with a standard deviation of 84973.133, which shows that the standard deviation value is smaller than the average value, so it can be concluded that zakat management post-is said to be good.

The mean ratio of zakat management post-merger was 166821.88, greater than pre-merger, 27956.50. This shows that the management of Sharia banking zakat after the merger is better than pre-merger.

This proves that Islamic banking continues to optimize the collection of zakat funds, which has become its responsibility as Islamic banking post-merger policy. Previous studies regarding the differences in zakat management pre-post sharia banking mergers have yet to be studied explicitly. However, several previous studies have raised discussions regarding the social dimensions of post-merger companies.

It is improving zakat management in Sharia banks post-merger benefits Sharia banks and zakat institutions. From a sharia banking perspective, it will increase its reputation as a financial institution that pays attention to social aspects. Zakat institutions provide a support system for collecting zakat funds. The two institutions can synergize with each other in maximizing the potential of zakat.

The Sharia banking system allows zakat funds to be managed professionally and have public trust. Management of zakat funds in Sharia banks has several advantages, including 1) The Islamic banking network is more expansive than other Islamic financial institutions. This is an essential factor in optimizing the socialization of zakat collection and distribution; 2) The bank can manage public funds well; 3) The facilities of several Islamic banks are relatively complete. For example, a widespread cash machine network, SMS banking, internet banking, and automatic debit facilities are available. This provides easy access for the community; 4) Professional sharia bank human resources who can guarantee that zakat funds are received and managed optimally, reliably, honestly, and transparently; 5) The social funds collected are part of third-party funds from sharia banks which are guaranteed by the LPS (Deposit Insurance Agency); 6) The distribution map and information network of Islamic banks is full of extensive experience so that zakat management not only optimizes fund management but also streamlines distribution; 7) Sharia banks have a positive image that can gain public trust in managing social funds including zakat; 8) Transparency in the management of zakat funds to the public, easily accessible in annual, quarterly or monthly reports. (Isman & Suaib, 2022).

Sharia banking has advantages in terms of its capacity to reach more people and the use of digitalization systems in collecting zakat funds. Zakat institutions need more flexibility regarding broader mustahiq reach and digitalization systems widely used by the public. Mobile banking is an example of the flexibility of Sharia banking in providing space for those who want to pay zakat via digital platforms. Zakat institutions have digital platforms, but their reach is more diminutive than that of Sharia banks.

Social finance is an effort by financial institutions to instill values in businesses that are expected to contribute to better social change. Sharia banking mergers are a momentum to improve social performance to strengthen bargaining power as a financial institution with social goals apart from profit-oriented. Therefore, Islamic banks are expected to be able to develop various funding models that are closely related to social finance.

Analysis of Zakat Management Post Sharia Bank Merger

This research shows significant differences in zakat management in Sharia banking pre-post merger. Post-merger, it shows that zakat management in Sharia banking has increased. Sharia banking has two functions in its implementation, namely profit-oriented and social-oriented. Post-merger, Islamic banking did not give up one of its functions by increasingly optimizing zakat as a financial source that is considered to provide benefits to society.

Islamic banking represents a new wave of companies whose social function is at least as important as generating profits (Haq et al., 2017). Islamic banks have experienced progress in social fund productivity (Pambuko et al., 2019). Islamic banks have different philosophies and goals from other business entities. Sharia banks do not aim to make a profit but have another, greater responsibility, namely that their existence can contribute to justice (Isman & Putra, 2022). The concept of Islamic banking directs the management of endowment funds to community welfare.

Companies that pay attention to the post-merger social dimension will improve the company's long-term performance (Krishnamurti et al., 2019). Merger activities undertaking social investments face more situations of possible inconsistencies between pursuing profits and realizing social values. When companies with high social funds post-merger lead to stakeholder synergy, corporate social values may effectively improve financial performance post-merger (Yen & André, 2019).

The financial sector is widely known as the backbone of the economy, where social funds also play an essential role (Zhang et al., 2019). Social responsibility has now been widely accepted as an essential issue in companies. Companies are increasingly demanding to measure social and economic transparency (Bidari & Djajadikerta, 2020). When we focus on the social dimension, it will be a determinant of how the market assesses the results of the merger (Arouri et al., 2019).

In short, Islamic banking operates according to Islamic principles. One is socially responsible in its economic operations by combining business principles (Zafar & Sulaiman, 2020). Trust in Sharia banking in the context of social funds and its implementation indirectly provides prospects for the performance of Sharia banking and zakat institutions. The basics of social functions laid down in the basic principles of Sharia banking are a value not found in other financial institutions.

Sharia banks have philanthropic value in zakat and other benevolent funds, where these instruments aim to increase community prosperity. This instrument differentiates conventional banks from Islamic banks. The competitiveness and health of the banking industry have an essential role in creating social benefits. Based on its characteristics, the banking industry must continue to follow the social-oriented industrial business cycle.

Unlike conventional banks, Islamic banks have two functions: a commercial function and a social function. This emphasizes that Sharia banking, in its performance, is not only profit-oriented but also pays attention to social aspects. Implementing social performance in Islamic banks can be realized through their role in providing human benefits. Islamic banking refers to actual economic activities, social justice, welfare, consideration of morality in business, and cultivating stakeholders' broader interests.

The idea of a social dimension is no longer foreign to Islamic principles, so Sharia banking is expected to implement a social mix in its activities. To explore the extent to which Islamic banking social reporting can be seen from its social dimensions of accountability, ownership, and social justice (Brahim & Arab, 2020). This social performance can be realized by sharia objectives, which are divided into three dimensions, namely Tahdhib al-Fard (educating individuals), Iqamat al-'Adl (building justice), and Jalb al-Maslahah (creating public interests). Sharia banks are considered to have fulfilled Sharia objectives when they can create prosperity and benefit (Oktafiani et al., 2022).

The social dimension of the company provides an objective message that influences increased credibility. Companies committed to social content are considered more durable and stable over time and reflect concern for improving the welfare of society (Perez et al., 2020). Banking needs to prioritize social and governance dimensions even though they do not directly impact financial performance but can improve reputation and greater social engagement (Manta et al., 2020).

Banks that allocate budgets for social activities gain legitimacy from society. Islamic banks must ensure accountability for social funds because stakeholders are interested in the company's social activities and believe it has implemented Islamic values (Jati et al., 2020). Social activities in banking emphasize justice towards minority interests. Increasing business activities should be accompanied by increasing social activities following priority needs (Mubarok, 2019).

High social responsibility reduces post-merger uncertainty and leads to narrower arbitrage spreads. Vital social attributes reduce the likelihood of contract breaches and increase company support. The impact of good social attributes post-merger reduces the risk of conflicts of interest between shareholders and stakeholders, facilitating the merger process and leading to faster integration. Corporate stakeholders are likely to oppose merger efforts if the company originates from a socially irresponsible one because reputation enhancement is related to social performance (Arouri et al., 2019).

Islamic financial services are a type of ethical finance based on the principles of morality and accept every innovation to improve social and financial services (Rabbani et al., 2021). Any innovation of a social nature is permitted in Islam as long as it does not violate basic ethics and sharia principles (Rabbani et al., 2020). Social innovation is a topic that is the need of the hour. Social innovation can change the face of global social and economic structures (Yun et al., 2019). Social innovation can provide sustainable results in the financial system (Sun et al., 2020).

Zakat, in the Islamic perspective, is considered a sacred concept. Islam explains that zakat, in a religious context, is rooted in the Al-Qur'an and Sunnah, providing a better overall framework. Ethical and moral principles derived from revelation can simultaneously carry out business and social responsibilities. In order to maintain consistent growth and development of zakat, the quality of performance of sharia banks and their synergy with zakat institutions must be well maintained.

CONCLUSION AND RECOMMENDATION

The results of this research conclude that there are significant differences in zakat management in Sharia banking pre-post merger. Post-merger shows that zakat management in Sharia banking has increased. The Sharia banking merger shows that optimizing zakat as a financial source is considered to provide benefits to society. The implications of this research illustrate the need for solid institutional synergy between zakat institutions and Sharia banking by maximizing their respective resources and strengthening the zakat philanthropy ecosystem through policies related to development of the Sharia economy.

REFERENCES

Abadi, M. T., Mubarok, M. S., & Sholihah, R. A. (2020). Implementasi Islamic Social Reporting Index Sebagai Indikator Akuntabilitas Sosial Bank Syariah. *Al-Insyiroh: Jurnal Studi Keislaman*, *6*(1), 1–25. https://doi.org/10.35309/alinsyiroh.v6i1.3813

Ahdizia, K., Masyita, D., & Sutisna, S. (2018). Business Valuation of Islamic Banks in Merger Plan To Become An Indonesia's State-Owned Islamic Bank. *Etikonomi*, *17*(2), 223–236. https://doi.org/10.15408/etk.v17i2.7238

Al-Ayubi, S., Ascarya, & Possumah, B. T. (2018). Examining the Efficiency of Zakat Management: Indonesian Zakat Institutions Experiences.

International Journal of Zakat, *3*(1), 37–55. https://doi.org/10.37706/ijaz.v3i1.66

al-Utsaimin, S. M. S. (2008). *Ensiklopedia zakat*. Pustaka as-sunnah.

Alao, R. (2010). Mergers and acquisitions (M&As) in the Nigerian banking industry: an advocate of three mega banks. *European Journal of Social Sciences*, *15*, 554–563.

Antonio, M. S. (2001). *Bank syariah: Dari teori ke praktik*. Gema Insani Press.

Apsari, P. I., Setiyowati, A., & Huda, F. (2022). Implementasi Sinergitas Pengelolaan Dana Zis Pada Perbankan Syariah Dan Organisasi Pengelola Zakat (OPZ) Untuk Penguatan Ekosistem Zakat: Studi Literatur Bank Syariah Indonesia (BSI) Dan Badan Amil Zakat Nasional. *Perisai*, *6*(1), 1–16. https://doi.org/10.21070/perisai

Aristoni. (2018). Problematika peran perbankan syariah dalam regulasi kelembagaan pengelolaan zakat. *ZISWAF: Jurnal Zakat Dan Wakaf*, *5*(1), 100–119.

Arouri, M., Gomes, M., Pukthuanthong, K., Arouri, M., Gomes, M., & Pukthuanthong, K. (2019). Corporate social responsibility and M & A uncertainty. *Journal of Corporate Finance*, *56*, 176–198. https://doi.org/10.1016/j.jcorpfin.2019.02.002 .

Asman, A., Congzhao, H., & Huazheng, H. (2023). Observing the Managemet Implications of Zakat Management in Indonesia. *At-Tasyrih: Jurnal Pendidikan Dan Hukum Islam*, *9*(1), 23–33. https://doi.org/10.55849/attasyrih.v9i1.123

Bidari, G., & Djajadikerta, H. G. (2020). Factors influencing corporate social responsibility disclosures in Nepalese banks. *Asian Journal of Accounting Research*, *5*(2), 209–224. https://doi.org/10.1108/AJAR-03-2020-0013

Brahim, N. Ben, & Arab, M. Ben. (2020). Social disclosure: compliance of Islamic banks to governance standards No. 7 of AAOIFI (2010). *Journal of Islamic Accounting and Business Research*, *11*(7), 1427–1452. https://doi.org/10.1108/JIABR-12-2018-0199

Budianto, A. (2004). *Merger Bank di Indonesia (Beserta Akibat-Akibat Hukumnya)*. Ghalia Indonesia.

Danjuma, A. (2021). Effect Of Merger And Acquisition On The Performance Of Acces. *World Journal of Management and Business Studies*, *1*(4), 211–231.

Darmalaksana, W. (2022). The Need For Social Theology To Strengthen The Social Functions Of Islamic Banking In Indonesia. *HTS Teologiese Studies / Theological Studies*, *78*(1), 1–13. https://doi.org/10.4102/hts.v78i1.7342

Furqon, A. (2015). Manaemen Zakat. In *CV Karya Abadi Jaya*.

Hakim, A., & Dalimunthe, Z. (2022). The Probability of the Financing Sustainability of Micro-firms Supported by Islamic Social Fund. *Etikonomi*, *21*(1), 127–138. https://doi.org/10.15408/etk.v21i1.12316

Haq, F., Fitrianto, & Rizaldi Yusfiarto. (2017). Effective Zakat Distribution: Highlightining Few Issues and Gaps in Kedah, Malaysia. *Al-Iqtishad: Journal of Islamic Economic*, *9*(2), 259–288.

Haryadi, M. A., Akbar, N., & Riani, R. (2022). Productivity Of Zakat Institutions (OPZ) In Indonesia. *International Journal of Zakat*, *7*(2), 48–61.

Hasan, Z. (2020). The Mechanism of Managing Zakat Funds in Islamic Banking as Implementation of Corporate Social Responsibility (CSR): Case Study at Bank Syariah Mandiri. *4 TH INTERNATIONAL CONFERENCE OF ZAKAT*

PROCEEDINGS, 385–396.

Indupurnahayu, I., Nurhayati, I., Endri, E., Marlina, A., Yudhawati, D., & Muniroh, L. (2022). Islamic Bank Merger and Economic Crisis: Event Study Analysis. *Quality - Access to Success*, *23*(187), 65–72. https://doi.org/10.47750/QAS/23.187.08

Isman, A. F., & Andi Suwandi Putra, S. (2022). The Practice of Cash Based Waqf In The Indonesian Islamic Banking. *LAA MAISYIR : Jurnal Ekonomi Islam*, *9*(1), 1–19. https://doi.org/10.24252/lamaisyir.v9i1.23837

Isman, A. F., & Putra, A. S. (2022). The Practice of Cash Based Waqf In The Indonesia Islamic Banking. *La Maisyir*, *9*(1), 1–19.

Jati, K. W., Agustina, L., Muliasari, I., & Armeliza, D. (2020). Islamic social reporting disclosure as a form of social responsibility of Islamic banks in Indonesia. *Banks and Bank Systems*, *15*(2), 47–55. https://doi.org/10.21511/bbs.15(2).2020.05

Kobayashi, A., & Bremer, M. (2022). Lessons from mergers and acquisitions of regional banks in Japan: What does the stock market think? *Journal of the Japanese and International Economies*, *64*. https://doi.org/https://doi.org/10.1016/j.jjie.2022.101202

Kornitasari, Y., Safitri, I. W., Wanakusuma, I., & Safitri, D. I. (2022). Peramalan Pertumbuhan Bank Syariah Indonesia Pasca Kebijakan Merger. *Jurnal Ilmiah Ekonomi Islam*, *8*(02), 1470–1478. https://doi.org/10.29040/jiei.v8i2.5321

Krishnamurti, C., Shams, S., Pensiero, D., & Velayutham, E. (2019). Socially responsible firms and mergers and acquisitions performance: Australian evidence. *Pacific Basin Finance Journal*, *57*, 1–16. https://doi.org/10.1016/j.pacfin.2019.101193

Levy, R. (1999). *Give and take: A candid account of corporate philanthropy*. Harvard Business Press.

Mamun, A., Tannous, G., & Zhang, S. (2021). Do regulatory bank mergers improve operating performance? *International Review of Economics and Finance*, *73*, 152–174.

Manta, F., Tarulli, A., Morrone, D., & Toma, P. (2020). Toward a Quadruple Bottom Line: Social Disclosure and Financial Performance in the Banking Sector. *Sustainability*, *12*(4038), 315–323. https://doi.org/10.3390/su12104038

Marpaung, A. (2020). Zakat Regulation as a Reduction of Income Tax in Indonesia. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, *3*(3), 2109–2116. https://doi.org/10.33258/birci.v3i3.1143

Mubarok, M. S. (2019). The determinants of Islamic social reporting disclosure and its impact on the profitability of sharia banks. *Journal of Islamic Economics, Management, and Business Vol.*, *1*(1), 137–172. https://doi.org/10.21580/jiemb.2019.1.1.3742

Muhammad. (2005). *Pengantar Akutansi Syariah* (Edisi 2). Salemba Empat.

Mujiatun, S. (2018). Model of Professional Zakat Management in Indonesia. *International Journal of Economics, Business and Management Research*, *2*(4), 80–90.

Nasution, E., Harahap, D., Wandisyah, M., & Hutagalung, R. (2022). STRATEGI BANK SYARIAH INDONESIA DALAM MENARIK MASYARAKAT UNTUK MEMBAYAR ZAKAT. *JISFIM: Journal of Islamic Social Finance Management*, *3*(1), 69–80.

Nazish, M., & Akhtar, M. H. (2021). Impact of Corporate Social

Responsibility on Profitability of Banks in Pakistan: Application of GMM Approach. *IRASD Journal of Management*, *3*(3), 360–372. https://doi.org/10.52131/jom.2021.0303.0051

Nurnasrina, & Putra, A. (2021). *Penguatan bank syariah sebagai amil zakat*. Kalimedia.

Oktafiani, F., Pratama, B. C., Fitriati, A., & Pandansari, T. (2022). Kinerja Sosial Perbankan Syariah Di Indonesia: Peran Intellectual Capital, Sharia Compliance, Dan Dewan Pengawas Syariah. *Jurnal Akademi Akuntansi*, *5*(2), 176–195. https://doi.org/10.22219/jaa.v5i2.18626

Pambuko, Z. B., Usman, N., & Andriyani, L. (2019). Spin-off and Social Funds' Productivity of Islamic Banking Industry in Indonesia. *Advances in Social Science, Education and Humanities Research*, *317*, 7–10. https://doi.org/10.2991/iconprocs-19.2019.2

Perez, A., Salmones, M. del M. G. de los, & Diez, E. B. (2020). Effects of the Type of CSR Discourse for Utilitarian and Hedonic Services. *Sustainability*, *12*(4821), 259–280. https://doi.org/10.3390/su12124821

Putra, R. R., Syifadiyah, S., Widyastiti, S. A., & Pambuko, Z. B. (2018). EFISIENSI PERBANKAN SYARIAH DI INDONESIA DALAM MENGELOLA DANA SOSIAL. *University Research Colloqium*, 163–166. https://doi.org/10.1007/b136381

Rabbani, M. R., Asad, M., Ali, M., Rahiman, H. U., Atif, M., Zulfikar, Z., & Naseem, Y. (2021). The Response of Islamic Financial Service to the COVID-19 Pandemic : The Open Social Innovation of the Financial System. *Journal of Open Innovation:Technology, Mark.et, Complexity*, *7*(85), 1–18. https://doi.org/10.3390/joitmc7010085 Received:

Rabbani, M. R., Khan, S., & Thalassinos, E. I. (2020). FinTech , Blockchain and Islamic Finance : An Extensive Literature Review. *International Journal of Economics and Business Administration*, *VIII*(2), 65–86. https://doi.org/10/02/20, accepted 03/04/20

Raudhah, S., Ayumiati, & Isnaliana. (2019). PEMBAYARAN ZAKAT DI PERBANKAN SYARIAH: DITINJAU MENURUT PANDANGAN MAJELIS PERMUSYAWARATAN ULAMA ACEH. *JIHBIZ: Global Journal of Islamic Banking and Finance*, *2*(1), 18–33.

Saptono, I. T. (2019). Peluang dan Tantangan Wakaf di Era 4.0. In *INSIGHT (Buletin Ekonomi Syariah) Edisi IV.*

Sun, H., Rabbani, M. R., Ahmad, N., Sial, M. S., Cheng, G., Zia-Ud-Din, M., & Fu, Q. (2020). CSR , Co-Creation and Green Consumer Loyalty : Are Green Banking Initiatives Important ? A Moderated Mediation Approach from an Emerging Economy. *Sustainability*, *12*, 1–22.

Umam, K., & Antoni, V. (2019). *Corporate Action Pembentukan Bank Syariah (Akuisisi, Konversi, dan Spin Off)*. Gadjah Mada University Press.

Utari, K. K., Septiyana, Y., Asnaini, & Elwardah, K. (2022). Efisiensi Keputusan Merger Tiga Bank Syariah di Indonesia pada Masa Pandemi Covid-19. *Jurnal Ekombis Review: Jurnal Ilmiah Ekonomi Dan Bisnis*, *10*(S1), 311–342.

Woelfel, C. J. (1955). *Encyclopedia of Banking and Finance*. ,Hill Scholl Education Group newyork.

Yahya, I. (2020). Zakat Management in Indonesia: a Legal Political Perspective. *Al-Ahkam*, *30*(2), 195–214. https://doi.org/10.21580/ahkam.2020.30.2.6420

Yen, T. Y., & André, P. (2019). Market reaction to the effect of corporate social responsibility on mergers and acquisitions: Evidence on emerging markets. *Quarterly Review of Economics and Finance*, *71*, 114–131. https://doi.org/10.1016/j.qref.2018.07.003

Yun, J. J., Egbetoku, A. A., & Zhao, X. (2019). How Does a Social Open Innovation Succeed? Learning from Burro Battery and Grassroots Innovation Festival of India. *Science, Technology & Society*, *24*(1), 122–143. https://doi.org/10.1177/0971721818806101

Yusuf, M., & Ichsan, R. N. (2021). Analysis of Banking Performance in The Aftermath of The Merger of Bank Syariah Indonesia in Covid 19. *International Journal of Science, Technology and Management*, *2*(2). http://ijstm.inarah.co.id

Zafar, M. B., & Sulaiman, A. A. (2020). Measuring corporate social responsibility in Islamic banking: what matters? *International Journal of Islamic and Middle Eastern Finance and Management*, *13*(3), 357–388. https://doi.org/10.1108/IMEFM-05-2019-0227

Zhang, J., Djajadikerta, H. G., & Trireksani, T. (2019). Corporate sustainability disclosure's importance in China: financial analysts' perception. *Social Responsibility Journal*, *16*(8), 1169–1189.

Zubaidah, S., & Afifah, A. (2020). Development of Zakat Management Digitalization in Indonesia. *International Conference of Zakat*, 459–468. https://doi.org/10.37706/iconz.2020.227