Volume 5, Eds 1
e-ISSN: 2716-666X

The Asian Journal of Professional and Business Studies

Please cite this article as: Novianda Zulti, Addiarrahman, & Usdeldi, (2024). The Effect of Murabahah and Musyarakah Financing on Net Profit with Third Party Funds as a Moderating Variable at Bank 9 Jambi Syariah. Volume 5 Issue 5 : Paper ID 5-1-6-308

THE EFFECT OF MURABAHAH AND MUSYARAKAH FINANCING ON NET PROFIT AWITH THIRD PARTY FUNDS AS A MODERATING VARIABLE AT BANK 9 JAMBI SYARIAH

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DOI:
Received: 23 February 2024 Accepted: 25 May 2024 Available Online: 29 June 2024

ABSTRACT

This study investigates the impact of Murabahah and Musyarakah financing on the net profit of Bank 9 Jambi Syariah, considering the role of third-party funds as a moderating variable. The primary objectives are to analyze the effects of Murabahah and Musyarakah financing on net profit and to examine whether third-party funds moderate these effects. Utilizing a quantitative descriptive analysis method with Moderated Regression Analysis (MRA), the research covers the period from 2012 to 2022. The findings reveal that Murabahah financing significantly influences net profit, as does Musyarakah financing. However, third-party funds do not moderate the relationship between Murabahah financing and net profit, while they do moderate the relationship between Musyarakah financing and net profit. These insights emphasize the differential impact of third-party funds on various Islamic financing mechanisms and their consequent effect on the profitability of Bank 9 Jambi Syariah.

ARTICLE INFO

Keywords:

Murabahah Financing, Musharakah Financing, Net Profit, Third Party Funds

1.0 INTRODUCTION

The history of the establishment of Islamic banking with a profit-sharing system is based on two main reasons, namely: (1) The view that interest in conventional banks is haram because it is included in the category of riba prohibited by religion, not only in Islam but also prohibited by other religions. (2) From an economic aspect, the transfer of business risks to one party is considered to violate the norms of justice. In the long run, the conventional banking system will cause the accumulation of wealth in a few people who have large capital (Sjadaini, 2007). Islamic banking is one of the other banking systems that is more resilient because it offers the principles of fairness and openness. The Islamic banking system is more developed and an attractive alternative for companies as business people, academics as human resource providers and the public as users of banking services. Banking services offered by Islamic banks are generally to collect and invest funds in the form of savings, current accounts or time deposits.

The operational principles of Islamic banks have special characteristics, namely that fund owners save and invest their funds in Islamic banks not with a motive to earn interest. Islamic banks aim to encourage and accelerate the economic progress of a society by conducting banking, financial, commercial, and investment activities in accordance with sharia principles. Islamic banks use a profit-sharing system. The profit-sharing principle is a basic characteristic of Islamic banking, sharia principles have proven to be able to survive and have better performance and are consistent in carrying out their intermediation functions. Basically, the products offered by Islamic banking can be divided into 3 major parts, namely funding products, financing products and service products. In distributing funds to customers, broadly speaking, sharia financing products are divided into four categories that are distinguished based on the purpose of their users, namely financing with the principle of buying and selling, the principle of rent, the principle of profit sharing and complementary contracts (Adiwarman, 2014).

Transactions carried out by Islamic banking must also be free from elements that can be destructive, such as usury, maisyir, gharar¸and others that have been determined by sharia. In accordance with the function of Islamic banking as a financial intermediary institution, Islamic banks are entitled to get profit sharing from financing distributed to their customers. The amount of profit-sharing ratio is determined by both parties, namely banks and customers. Financing is one of the main tasks of Islamic banks, namely the provision of funds to meet the needs of parties who are unit deficits (Muhammad, 2013). In other words, the provision of funds by the bank that are distributed to customers with the provision of return by including rewards or profit sharing. Financing is a very important activity in increasing revenue to make a profit, with financing will be obtained the main source of funds and income that becomes the continuity of the bank's business. If Islamic banks manage their sources of funds well, Islamic banks can earn profits or profits.

Net profit is the company's profit after deducting tax. In theory, the greater the level of financing, the income obtained increases, because income increases, profits will increase and vice versa (Muhammad, 2015). With an increase in profits, the bank will be able to face competition as well as market expansion and bank business continuity will be more guaranteed, as well. The even level of financing from each product makes the bank's position more stable and increases net profit (Salman, 2012). One of the important factors in the operation of Islamic banks is how Islamic banks are able to obtain funds in raising funds to carry out their operational activities both now and in the future. Third party funds are funds collected by banks from the public consisting of savings deposits, deposits and current accounts. This source of funds is the most important source of funds for a bank's operations and is a measure of a bank's success if it is able to finance its operations from this source of funds. Thawing from this source is relatively the easiest when compared to other sources. Third party funds are a source of liquidity to facilitate financing on the asset side of the bank's balance sheet (Muhammad, 2017).

Third party funds are an important source of bank operational activities and are a benchmark for bank success if the bank is able to bear its operating costs from this source of funds. This source of funds will later be channeled to the public through financing that will generate income for the bank. If third-party funds increase, the chances of banks earning revenue are even greater. The more third party funds raised, it will increase the bank's business activities to increase its profit. Among its various products are fund distribution or financing products to Islamic bank customers. The financing distributed by the bank is the distribution of funds to customers in need. With the increasing amount of financing distributed to the public, bank profits will increase. Good profit growth is a sign of good company performance. As a result, good profit growth will increase the value of the company.

Factors that affect net profit are of course also supported by Islamic banking products. Each product will certainly provide benefits for banks, including financing products (Mudarabah, Musharakah and Murabahah). Revenue from channeled financing is expected to obtain a good net profit, which is reflected in increased profits. Therefore, the management of financing both Murabahah financing, Mudharabah financing and Musharakah financing will greatly affect the income received by Islamic banks. Murabahah and Musharakah financing are attractive instruments at Bank Jambi

Syariah. Murabahah and Musharakah are generally used for cooperation between banks and their customers who use a profit-sharing system in accordance with the provisions at the beginning of the contract. Employers who wish to undertake the contract should know about the procedures in the contract to avoid nisbi (loss). Financing that has the potential to generate profits and does not generate profits will affect the level of net profit obtained by the bank. Net profit will increase when the financing distributed to customers is able to generate high profits, the higher the financing distributed, the higher the income received by the bank. In Musharakah financing and Murabahah financing, the bank gets a profit or a profit, and from these profits the bank will give a bonus or profit sharing to third party funds, if the financing increases, third party funds from the bonus or profit sharing can increase third party funds. Theoretically, if Murabahah and Musharakah revenues increase, net profit will increase. However, in fact, the data has one period, for example in 2019, it shows a different thing, namely there is a decrease in net profit, even though revenue has increased and murabahah financing has increased while Musharakah financing has decreased.

Murabahah affects net profit, this is in accordance with research conducted by Muharram (2018) concluded that Murabahah financing has a significant effect on net profit. Meanwhile, Nahruddien's research (2021) states that Murabahah financing on net profit has no significant effect. Meanwhile, the results of Ningsih's research (2018) stated that Murabahah financing had a significant effect on net profit. According to Novi Fadhila (2015) states that Murabahah financing has a negative effect on profits. According to Fauziah Durotul Masruroh, Rokhmat Subagiyo (2019) shows that third-party funds do not have a significant effect on profits. The amount of financing does not have a significant effect on profits. According to Raisa Hasibuan (2023), it shows that third-party funds in moderating the effect of Murabahah financing have a positive and significant influence on net income. According to Mifta Lestari (2021), it shows that third-party funds moderating murabahah financing have a positive and significant effect on net profit.

Musharakah is a cooperation agreement between two or more parties for a particular business in which each party provides a portion of funds with the provision that profits will be divided in accordance with the agreement, while losses are borne according to their respective portion of funds. In other words, the sale of goods by banks to customers is carried out on a cost-plus profit basis. Musharakah affects net profit, this is in accordance with research conducted by Nahruddien (2021) stating that Musharakah financing on net profit has a significant and positive effect. Meanwhile, the results of Ningsih's research (2018) stated that partial Musharakah financing did not have a significant effect on net profit. According to Widya Astuti (2023), third-party funds moderate the effect of Musharakah financing have a positive and significant effect on the profits obtained.

Some previous research results have different results, so there is a research gap on the effect of Murabahah financing and Musharakah financing on net profit. The research gap is also one of the reasons to review the matters that affect Murabahah financing and Musharakah financing on net profit through third party funds. Based on this, the author is encouraged to further examine whether Murabahah and Musharakah financing can increase profit sharing income so that it will have a good impact on net profit at Bank Jambi Syariah. Where the source of income of Bank Jambi Syariah comes from Murabahah and Musharakah financing.

2.0 LITERATURE REVIEW

Agency Theory

The problem arises because shareholders and managers strive to maximize each other's interests. Shareholders as owners or principals want greater and faster returns on the investments they invest while managers want the maximum compensation or incentive for their performance in running the company (Scott, 2015).

Stewardship Theory

The theory of Stewaordship can be understood in the financing products of banking institutions. Islamic banks as Principals who entrust customers as stewards (servants) to manage funds that are ideally able to accommodate all mutual interests between the principal and stewards based on servants who have behavior where they can be formed so that they can always be invited to cooperate in the organization, have collective or group behavior with high utility than individuals and are always willing to serve. With the enactment of this theory, the owner of the fund (Shahibul Maal) gives confidence to the fund manager (Mudharib) to manage the fund into a productive business in order to achieve the same goal, namely the welfare of life. Fund managers must be trustworthy and have high responsibility in managing (Raharjo, 2007).

Signaling Theory

Signal theory (Signaling Theory) was first proposed by Spence in 1973 which explains that the sending party (owner of information) provides a signal or signal in the form of information that reflects the condition of a company that is beneficial to the receiving party (investor). According to Brigham and Houston (2011) signal theory explains management's perception of the Company's growth in the future, which will affect the response of potential investors to the company. The signal is in the form of information that explains the management's efforts in realizing the wishes of the owner. This information is considered an important indicator for investors and business people in making investment decisions.

Net Profit

Net profit is profit that has been reduced by costs that are the company's expenses in a certain period including taxes (Kasmir, 2015). Net profit is the net result of a company's performance over a certain period of time.

Third Party Funds

Funds are cash owned or controlled by banks in the form of cash or other assets that can be immediately converted into cash. Cash owned or controlled by the bank does not only come from the owner of the bank itself but also from the deposit or participation of funds of other people or other parties who will be withdrawn at any time (Andrianto, 2019).

Financing

The bank's activities in addition to collecting funds from the wider community in the form of current accounts, savings, and deposits are to redistribute these funds to people who need them. This fund allocation activity is also known as fund distribution, one of which is with financing facilities, namely providing facilities for providing funds to meet the needs of parties who are unit deficits (Adiwarman, 2014).

Murabahah Financing

Murabahah is a contract of buying and selling certain goods, where the seller mentions the purchase price of the goods to the buyer and then sells to the buyer with the requirement of an expected profit according to a certain amount. In a murabahah contract, the seller sells goods by asking for an excess over the purchase price at the selling price. The difference between the purchase price and the selling price of goods is called the profit margin (Abu Azam, 2017).

Musyarakah Financing

Musyarakah is a cooperation agreement between two or more parties for a particular business in which each party provides a portion of funds with the provision that profits will be divided in accordance with the agreement, while losses are borne according to the portion of their respective funds (Andri Soemitra, 2009).

3.0 METHODOLOGY

In this study, it also used the Moderated Regression Analysis (MRA) analysis method. The MRA method is used to analyze the pattern of relationships between independent variables with bound variables by including moderator variables. The MRA model equation in this study is as follows (Ghozali, 2015):

$$Y = a+\beta_1 X_1+ \beta_2 X_2+ 〚\beta_3 Z+\beta〛_4 X_1*Z+\beta_5 X_2*Z+\varepsilon$$

Information:

Y = Net Profit
a = Kostan
X1 = Murabahah Financing
X2 = Musyarakah Financing

e-ISSN: 2716-666X

Z = Third Party Funds
X1*Z = interaction of independent variable I with moderator variable
X2*Z = interaction of independent variable II with moderator variable
β_(1-5) = Cow phthisin regresi
ε = residual (error disturbance)

Hypotesis Statistics

Test F Statistics
This test is basically to show whether all independent variables included in the model have a simultaneous influence on the dependent variable. If F is greater than F in the table then Ho is rejected, meaning that the independent variables together affect the independent variables. However, if F is less than F in the table, Ho is accepted, meaning that the independent variables together do not affect the independent variable (Ghozali, 2015).

Uji t Statistics
Testing of the significant level of each coefficient of each regression is used. If t count is greater than t table then Ho is rejected, meaning that the free variable partially affects the free variable, but if t count is smaller than t table then Ho is accepted, meaning that the free variable does not affect the free variable (Ghozali, 2015).

Coefficient Determination
This coefficient of determination measures how far the model is able to explain the dependent variables. This coefficient is between zero (0) and one (1). The greater the value of the coefficient, the independent variables are better able to explain the dependent variables (Ghozali, 2015).

4.0 FINDINGS AND DISCUSSION

To test the effect of moderation variables can use the path analysis method. Path analysis is an extension of regression analysis to assess causality relationships between variables that have been previously established based on theory. Path analysis alone cannot determine causal relationships nor can it be used as a substitute for researchers to see causality relationships between variables. Causality relationships are formed by models based on theoretical foundations. Path analysis determines the pattern of relationships between three or more variables and can be used to confirm or refute imaginary causality hypotheses (Ghozali, 2015). The results of parameter testing are obtained as follows:

The Effect of Murabahah Financing and Musharakah Financing on Net Profit

The results of the first model, namely in measuring the direct effect of murabahah financing and musyarakat financing on net profit can be seen in the following table:

Table 1 First Model Regression Moderated Equation

Coefficients[a]						
Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1742.490	2651.749		.657	.515
	murabahah financing	-.056	.021	-.733	-2.680	.011
	Musyarakah Financing	.203	.040	1.386	5.067	.000
a. Dependent Variable: Net profit						

Source: Processed, 2023

Based on Table 1 of the estimated regression coefficients of murabahah financing and musharakah financing (independent) to net profit (dependent), the form of regression can be modeled as follows:

$$LB = 1742.490 - 0.056\ MBH + 0.203\ MSY + \varepsilon$$

e-ISSN: 2716-666X

The interpretation of the first equation means that every addition of 1 rupiah unit of value of murabahah financing will result in a decrease of 0.056 one rupiah unit of net profit and if murabahah is worth 0, then net profit is 1742,490 one rupiah unit. The interpretation of the second equation means that every addition of 1 rupiah unit of value from musharakah financing will result in an increase of 0.203 one rupiah unit of net profit and if musharakah is worth 0, then net profit is 1742,490 one rupiah unit.

Test F Statistics

In looking at the influence simultaneously, a hypothesis test was carried out with F Statistics with the number of frequency distributions of 43 observations, the estimated results were as follows:

Table 2 Simultaneous Tests

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5202108710.782	2	2601054355.391	27.484	.000[b]
	Residual	3880254574.013	41	94640355.464		
	Total	9082363284.795	43			
a. Dependent Variable: Net profit						
b. Predictors: (Constant), musyarakah financing, murabahah financing						

Source: Data processed, 2023

Based on Table 2 shows that the statistical F hypothesis test with a significance level of 95 percent is known to be a statistical f value (0.000 < 0.05), then Ho is rejected and Ha is accepted. This means that all regression coefficients or all independent variables, namely murabahah and musharakah financing , together affect net profit.

Test t Statistics

Statistical t test to determine the partial effect on each independent variable on the dependent variable, as for the estimation results as follows:

Table 3 Partial Test I

Variable	t Statistik	Sig	Information
Murabahah Financing	-2.680	0.011	Significant
Musyarakah Financing	5.067	0.000	Significant

Source: Data processed, 2023

Based on Table 3 shows that the variable murabahah financing has a negative and significant effect on net profit because the significance value is 0.011 < 0.05, then ho is rejected and ha is accepted, meaning that at the level of significance of 0.05 percent the variable murabahah has a negative and significant effect on net income. The musharakah financing variable has a positive and significant effect on net profit because the significance value is 0.000 < 0.05, then ho is rejected and ha is accepted, meaning that at the level of significance of 0.05 percent the musharakah variable has a negative and significant effect on net profit.

Coefficient of Determination

The coefficient of determination is used to determine how much the independent variable in the regression equation can explain the dependent variable. The coefficient determination in this study is shown as follows:

Table 4 Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

1	.757[a]	.573	.552	9728.32748

a. Predictors: (Constant), musyarakah financing, murabahah financing

Source: Data processed, 2023

Based on Table 4 of the results of the analysis of the coefficient of determination R2, it can be seen that murabahah and musharakah affect net profit by 57.30%, the remaining 42.70% is influenced by other variables.

Moderated Regression Analysis

Moderate Regression Analysis (MRA) or moderation regression analysis is a regression analysis which involves moderation variables in building a relationship model. This variable has a role as a variable that can strengthen or weaken the relationship between the independent variable and the dependent variable. Researchers use interaction tests to see the effect of independent variables on dependent variables in regression testing. The results of the moderation regression test are as follows:

Table 5 Moderation Regression Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1785.149	3300.542		.541	.592
	murabahah financing	.058	.063	.764	.914	.367
	Musyarakah Financing	-.048	.124	-.325	-.385	.702
	Third Party Funds	-.014	.024	-.280	-.582	.564
	murabahah financing with TPF	-1.786E-7	.000	-1.962	-1.847	.073
	musyarakah financing with TPF	4.527E-7	.000	2.437	2.135	.039

a. Dependent Variable: Net profit

Source: Data processed, 2023

Based on table 5 above, the results of moderation regression testing can be known as follows. The results of testing the variable X1*Z (interaction of *murabahah financing variables* with deposits) have a t-statistic value of -1.847 with a prob value (significance) of 0.073 > 0.05, it can be concluded that the moderation variable (DPK) is unable to moderate the effect of *murabahah financing* (X1) on net profit. Then Ha is rejected and H0 is accepted. The results of the X2*Z variable test (interaction of musharakah financing variables with deposits) have a t-statistic value of 2,135 with *a prob* value (significance) of 0.039 < 0.05, so it can be implied that the moderation variable (DPK) is able to moderate the effect of murabahah financing on net profit. Then Ha is accepted and H0 is rejected.

The coefficient of determination of the effect of murabahah financing on net profit with third party funds as a moderation variable can be seen as follows:

Table 6 Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.788[a]	.621	.571	9520.53351

a. Predictors: (Constant), musyarakah financing with TPF, murabahah financing, musyarakah financing, third party funds, murabahah financing with TPF

Source: Data processed, 2023

Based on Table 6 of the results of the R2 coefficient of determination analysis , it can be seen that murabahah financing and musharakah financing affect net profit with third party funds as a moderation variable of 62.10%, the remaining 37.90% is influenced by other variables.

The Effect of Murabahah Financing on Net Profit

Based on the results of the study shows that the variable murabahah financing has a significant effect on net profit, it is proven that 0.011 < 0.05, and means that there is a negative relationship between murabahah financing and net profit, which means that the higher the murabahah financing distributed, it will reduce the net profit obtained. because of the loss obtained by murabahah financing from the existence of profit sharing (ratio) which has decreased to profit The net. The lower the murabahah financing disbursed, the lower the Net Profit at Bank Jambi Syariah. When based on the perspective of fiqh, Murabahah is only based on the element of trust. The guarantee requested by Islamic Banks is to ensure order in the return of funds and anticipate capital that does not return. In carrying out their trust, customers provide guarantees in the form of land deeds, vehicle BPKB and so on. The guarantee can be disbursed if the customer is really proven to have violated the things agreed in the contract. Regarding Murabahah when viewed from the risk aspect with the application of collateral as an absolute condition in financing, there is no justice between the customer and the bank, because in Islamic funding both customers and banks must equally bear the risk with a *profit and loss sharing* system. The obligation to provide guarantees by customers to the bank means that only customers bear the risk in the event of a loss, while the bank will be free to bear the loss.

In concept, murabahah financing theory is a transaction of buying and selling goods where the seller provides information on the cost of goods acquired and sold to the buyer with additional profits agreed between the seller and the buyer of goods. Through the income from these financings, the bank will be able to find out how much profit is generated. The murabahah financing income obtained will affect the amount of profit earned by the bank. The amount of profit obtained by Islamic banks will be able to affect the profitability achieved (Adiwarman, 2014). This research is in line with that conducted by Ima Fatmawati (2016) which states that murabahah has a significant negative effect on net profit. While this research is not in line with those conducted by Endah Rahayu Ningsih (2018) and Novi Fadhila (2015) which stated that murabahah financing has a significant positive effect on net profit.

The Effect of Musharakah Financing on Net Profit

Based on the results of the study shows that the variable musharakah financing has a significant effect on net profit, it is proven that 0.000 < 0.05, and means that there is a positive relationship between musharakah financing and net profit, which means that the higher the musharakah financing distributed, it will increase the net profit obtained. Because musharakah financing that generates profits will affect the level of net profit because the greater the musharakah financing distributed to customers, the greater the level of bank profitability which will increase net profit growth. Musharakah financing is a cooperation agreement or mixture between two or more parties to carry out a certain business that is halal and productive with the agreement that profits will be divided according to the agreed ratio and risks will be borne according to the portion of cooperation.

In concept , musharakah financing theory is a business cooperation agreement between several capital owners to include their capital in a business, where each party has the right to participate in the implementation of business management. Profits are divided according to the proportion of capital participation or based on mutual agreement. Musyarakah financing generates bank income in the form of profit sharing, the more Musyarakah financing distribution is given, the more profits obtained by business banks will increase which will certainly increase the net profit received (Adiwarman, 2014). This research is in line with that conducted by Hasanah Istiqomah (2018) and Fitria Yulia Sari, Nahruddien Akbar (2021) which states that musharakah has a significant positive effect on net profit. Meanwhile,this research is not in line with what was done by Ima Fatmawati (2016) and Muharam Gilang Akbar (2018) who stated that musharakah financing did not have a significant positive effect on net profit.

The Effect of Murabahah Financing on Net Profit with Third Party Funds as a Moderation Variable

e-ISSN: 2716-666X

Based on the results of the study, it shows that the variable of third party funds does not moderate or weaken the effect of murabahah financing on net income, it is proven that 0.073> 0.05, and means that there is a negative relationship between third party funds not moderating murabahah financing to net income, which means that the higher third party funds in moderating murabahah financing, the lower the net profit obtained. Banking companies act as financial intermediary institutions in carrying out their business activities which are influenced by the allocation of funds. Financing provided by the bank to its customers will get remuneration in the form of profit sharing, profit margin and rental income depending on the financing agreed upon by the bank and customers (business partners). The management of murabahah financing will generate ratio income. However, the ratio obtained is not able to affect the profit obtained by Jambi syariah banks, where the higher the income or murabahah financing provided by the bank for the distribution of funds, the more able it will be able to reduce the profit obtained by the bank.

In theory, third-party funds are one of the largest origins of money for people who save in banks. With these funds, the bank generates income through financing which is certainly beneficial for both the bank and customers. The usefulness of profit sharing is added to the bank's cash reserve, giving the bank additional cash for its implementation (Muhammad, 2017). Murabahah financing has more certainty than profit-sharing schemes because the determination of the percentage of profit margin is stated at the beginning of the contract. This causes banks to be able to ascertain the amount of profit to be obtained from financing activities carried out (Andrianto, 2009). In Murabahah financing, there is the possibility of buying and selling financing in installments. This, of course, can require funding obtained from third party funds so that it will affect the performance of Islamic commercial banks in generating profits. The higher the deposit, the higher the financing borne by the bank. This research is in line with what Junita Sari (2022) stated that third-party funds do not moderate the effect of murabahah financing on net income. Meanwhile, this research is not in line with that conducted by Mifta Dwi Wiji Lestari (2021) and Raisa Muthia Syahrani Hasibuan (2023) which states that third-party funds moderate the effect of murabahah financing on net profit. And the research conducted by Raisa (2023) is inversely proportional to the results obtained because third-party funds are able to moderate murabahah financing to net profit.

The Effect of Musharakah Financing on Net Profit with Third Party Funds as a Moderation Variable

Based on the results of the study, it shows that the variable of third party funds moderates or strengthens the effect of musharakah financing on net profit, it is proven that 0.039 < 0.05, and means that there is a positive relationship between third party funds moderating musharakah financing to net profit, which means that the higher third party funds in moderating musharakah financing, the higher the net profit obtained. Because this increase in net profit means that when Bank Jambi Syariah's revenue tends to increase its performance.

Third-party funds are one of the largest sources of money for people who save in banks. With these funds, the bank generates income through financing which is certainly beneficial for both the bank and customers. The usefulness of profit sharing is added to the bank's cash reserve, giving the bank additional cash for its implementation (Muhammad, 2017). Musharakah financing with a profit scheme that has the aim of obtaining profits. Each department has its own capital and participates in administration. Profits and losses are distributed according to participation. The effect of Musyarakah financing is that if there is a loss, the bank's risk becomes wider because equity and loss cover are shared by each party (Andrianto, 2009). This research is not in line with what was conducted by Ashani Ajani (2022) who stated that third-party funds do not moderate the effect of musharakah financing on net profit. Meanwhile,this research is in line with what was carried out by Widya Astuti (2023) who stated that third-party funds moderate the effect of musharakah financing on net profit. However, strengthen it again according to Widya (2023) who stated that third-party funds moderate and are able to strengthen the influence of musharakah financing on net profit.

Analysis of the Effect of Murabahah on Net Profit with Third Party Funds as a Moderation Variable

Third-party funds do not moderate or weaken the effect of murabahah on net income. In the analysis from time to time financing with murabahah contracts, there are many enthusiasts compared to other contracts in Islamic banking financing. Murabahah financing is considered easier and does not require complicated and profitable analysis from both the bank and the customer.

Financing is the most widely distributed funds by banks to the public and is the main function of Islamic banking as an intermediary institution, so it needs special attention. Therefore, banks as financial institutions must pay attention to various internal and external factors and what aspects are considered in making decisions on financing issues or distributing funds to the community.

The level of financing at banks can be influenced by several variables, including third party funds, capital adequacy levels, non-performing loans, and profitability. Third party funds are funds obtained from the community, in the sense of the community as individuals, companies, governments, households, cooperatives, foundations, and others both in rupiah and in foreign currencies. In most or every bank, these public funds are generally the largest funds owned (Veithzal. 2013). The greater the funds from third parties obtained, the greater the distribution of financing that will be given to the community.

In addition to internal factors, murabahah financing is also heavily influenced by external factors. If internal factors can be fully controlled by the company, then external factors cannot be predicted or controlled. The company can only take policies to adjust these conditions. External factors in this study are third party deposit funds, CAR capital adequacy level, and NPF non-performing financing.

To see the operational activities of the bank, it is necessary to pay attention to the profitability aspect as a reference in measuring profits, and the profit achieved by the bank is a reflection of the bank's performance in managing the funds it raises. A bank that is able to generate large profits means that the bank is able to efficiently run its business. The level of profit generated by the bank will be related to the balance of the amount of funds that can be raised and the amount of funds that can be channeled. The greater the profit received, it means that the financing is channeled well (Citra, 2014). The profit obtained by bank 9 Jambi Syariah profit growth is quite good and continues to increase.

In providing murabahah financing, banks will often contract with customers, and do not rule out the risks they will face, one of which is problematic financing. Problematic financing is according to Banking Law Number 21 of 2008 financing is the provision of money or bills that can be likened to it, based on an agreement or loan agreement between a bank and another party that requires the borrower to pay off the profit after a determined period (Kasmir, 2014). If more debtors are unable to pay off their credit, then it is likely that a bank will experience a decrease in revenue and may go out of business, due to the non-return of financing or credit given to debtors. Anticipation of bad loans / problem financing arises because in the financing process in this case the bank as a liaison between the deficit unit and the surplus unit in carrying out its role, the bank has a risk even since the bank began collecting funds from the public (Wahyudi, 2013). In the NPF ratio, the returns obtained by bank 9 Jambi Syariah are in good condition.

In channeling funds through murabahah financing, banks certainly want and aim to get an income or often called profitability from the funds they manage for the development and survival of the bank, and profitability itself is to measure the company's ability to generate profits using the total assets (wealth) owned by the company after adjusting for costs to fund these assets (Hanafi, and Halim, 2009). And if the income or profitability obtained by the bank is getting bigger, then the possibility of distributing funds through financing will also be even greater.

The size of the profits obtained by Islamic banks cannot be separated from the large level of financing that has been channeled which can be seen from the level of Financing to Deposit Ratio (FDR). Financing to Deposit Ratio (FDR) is a ratio used to measure the amount of funds disbursed after being compared to the amount of public savings (savings). The higher the FDR ratio indicates the lower the liquidity of a bank. However, the higher FDR also shows that Islamic banks are more optimal to develop their physical industries, because then Islamic banks mean channeling public deposit funds well.

The existence of third party funds or funds collected by banks from the public, provides opportunities for banks to increase the distribution of financing to the public. Murabahah financing is the most dominating financing among other Islamic bank financing. The dominance of murabahah financing shows that murabahah financing provides many benefits because of buyer clarity, profit certainty, and is easier to apply and has less risk, but murabahah financing through deposits has a negative and insignificant effect on net profit. According to sharia enterprise theory, banks must use funds from the community as best as possible so as to improve the welfare of stakeholders. The higher public funds or third parties owned by Islamic banks will provide opportunities to increase the portion of murabahah financing to be distributed by Islamic banks. With the high portion of murabahah financing that can be channeled, it will increase income from murabahah financing so as to increase the net profit of Islamic banks.

Analysis of the Effect of Musharakah on Net Profit with Third Party Funds as a Moderation Variable

Third-party funds moderate and are able to strengthen the influence of musharakah on net income. In the analysis from time to time, financing with musharakah contracts is also in demand by the public in addition to murabahah or with other contracts in Islamic banking financing. Musharakah financing is considered for the needs of the community to increase prosperity as well as businesses sometimes require funds from other parts, including musyarokah financing.

As with the same explanation regarding murabahah financing, musharakah financing must pay attention to various internal and external factors and what aspects are considered in making decisions on financing issues or distributing funds to the community. The level of financing at banks can be influenced by several variables, including third party funds, capital adequacy levels, non-performing loans, and profitability. Third party funds are funds obtained from the community, the greater the funds from third parties obtained, the greater the possibility of distributing financing to the community. The profit obtained by bank 9 Jambi Syariah profit growth is quite good and continues to increase.

In providing musharakah financing, banks will often contract with customers, and do not rule out the risks they will face, one of which is problematic financing. If more and more debtors are unable to pay off their credit, then it is likely that a bank will experience a decrease in revenue. Anticipation of bad loans / problem financing arises because in the financing process in this case the bank as a liaison between the deficit unit and the surplus unit in carrying out its role, the bank has a risk even since the bank began collecting funds from the public (Wahyudi, 2013). In the NPF ratio, the returns obtained by bank 9 Jambi Syariah are in good condition.

In channeling its funds through musharakah financing, the bank certainly wants and aims to get an income or often called profitability from the funds it manages for the development and survival of the bank, and profitability itself is to measure the company's ability to generate profits using the total assets (wealth) owned by the company after adjusting for costs to fund these assets (Hanafi and Halim, 2009). And if the income or profitability obtained by the bank is getting bigger, then the possibility of channeling funds through financing will also be even greater.

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The existence of third-party funds collected by banks from the public, provides opportunities for banks to increase financing distribution to the public. Murabahah financing is the most dominating financing among other Islamic bank financing. The dominance of murabahah financing shows that musharakah financing provides many benefits because of buyer clarity, profit certainty, and is easier to apply and has less risk, but musharakah financing through deposits has a negative and insignificant effect on net profit. According to sharia enterprise theory, banks must use funds from the community as best as possible so as to improve the welfare of stakeholders. The higher public funds or third parties owned by Islamic banks will provide opportunities to increase the portion of murabahah financing to be distributed by Islamic banks. With the high portion of musharakah financing that can be distributed, it will increase income from musharakah financing so that it can increase the net profit of Islamic banks.

5.0 CONCLUSION

Based on the results of the analysis and discussion in this study, here is the conclusion that murabahah financing has a significant effect on net profit. Musharakah financing has a significant effect on net profit. Third-party funds do not moderate the effect of murabahah financing on net income. Third-party funds moderate the effect of musharakah financing on net profit.

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