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Establish The Role Of Economic Growth In Moderating The Factors Financing Determinants

Menetapkan Peran Pertumbuhan Ekonomi Dalam Memoderasi Faktor-Faktor Penentu Pembiayaan

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ABSTRACT
With economic growth acting as a moderating factor, the aim of this study is to investigate the impact of TPF, inflation, and exchange rates on Islamic banking funding in Indonesia. Secondary data collected monthly between January 2016 and December 2023 is the data used. Islamic Banking Statistics Financial Services Authority (SPBS/OJK) and Islamic Banking Statistics Bank Indonesia (SPS-BI) are the sources of DPK and financing statistics. The official BPS website (www.bps.go.id) is the source of data for the Industrial Production Index (IPI), while the official BI website (www.bi.go.id) is the source for inflation and exchange rate statistics. MRA stands for moderated regression analysis, which is the data analysis method. The analysis's findings indicate that Third Party Funds have a marginally favorable impact on Indonesia's Islamic banking industry. In Indonesia, Islamic banking financing is positively impacted by inflation, though not significantly. In Indonesia, the exchange rate of the rupiah has a negative and substantial impact on Islamic banking financing. In Indonesia, the impact of external funding on Islamic banking financing might be mitigated by economic expansion. Growth in the economy can control the relationship between the exchange rate and Islamic banking financing in Indonesia, but it cannot control the relationship between inflation and Islamic banking financing in Indonesia.
Keywords: *Economic Growth, Exchange Rate, Inflation, TPF*

ABSTRAK
Dengan pertumbuhan ekonomi yang berperan sebagai faktor moderasi, tujuan dari penelitian ini adalah untuk mengetahui dampak DPK, inflasi, dan nilai tukar terhadap pendanaan perbankan syariah di Indonesia. Data yang digunakan adalah data sekunder yang dikumpulkan setiap bulan antara Januari 2016 sampai dengan Desember 2023. Statistik Perbankan Syariah Otoritas Jasa Keuangan (SPBS/OJK) dan Statistik Perbankan Syariah Bank Indonesia (SPS-BI) merupakan sumber statistik DPK dan pembiayaan. Situs web resmi BPS (www.bps.go.id) merupakan sumber data Indeks Produksi Industri (IPI), sedangkan situs web resmi BI (www.bi.go.id) merupakan sumber statistik inflasi dan nilai tukar. MRA merupakan singkatan dari moderated regression analysis, yang merupakan metode analisis data. Temuan analisis menunjukkan bahwa Dana Pihak Ketiga memiliki dampak yang sedikit menguntungkan terhadap industri perbankan syariah Indonesia. Di Indonesia, pembiayaan perbankan syariah dipengaruhi secara positif oleh inflasi, meskipun tidak signifikan. Di Indonesia, nilai tukar rupiah memiliki dampak negatif dan substansial terhadap pembiayaan perbankan syariah. Di Indonesia, dampak pendanaan eksternal terhadap pembiayaan perbankan Islam dapat dikurangi dengan ekspansi ekonomi. Pertumbuhan ekonomi dapat mengendalikan hubungan antara nilai tukar dan pembiayaan perbankan Islam di Indonesia, tetapi tidak dapat mengendalikan hubungan antara inflasi dan pembiayaan perbankan Islam di Indonesia.
Kata Kunci: Pertumbuhan Ekonomi, Nilai Tukar, Inflasi, DPK

1. Introduction

Banking's primary function is finance, which involves directing money toward clients' requirements for both investments and consumption.Previous studies have established that some internal bank elements, such as the following, have an impact on the amount of bank financing: Third Party Funds /TPF and external factors, such as: inflation and exchange rates. DPK is a collection of funds collected in banking that comes from funds collected from customers. Deposits have an important role for banks because of operational activities, banks will channel these deposits to financing customers to earn profits. The larger the third party deposit collected in the banking system, the higher the level of financing disbursed by banks will also increase. The results of previous research by Boachie & Adu-Darko (2024). TPF significantly affects funding. This finding, however, runs counter to the assertion made by Ozili et al., (2023) that TPF has no appreciable impact on funding.

The Regional Revenue and Expenditure Budget can be used as an instrument to increase economic growth (Syahidin & Jalil, 2020). Almost every country experiences inflation, which is one of the most significant financial occurrences; wealthy, developing, or impoverished nations alike cannot avoid this issue. Bahtiyar Berk (2023). Inflation has a considerable influence on the economy because it is a measure of an increase in prices. In essence, the process of prices rising generally within an economic system is known as inflation (Ezako, 2023).Inflation not only has a direct impact on society, but can also have an impact on banking. Chen (2022) the impact of inflation on banking can be explained by using The Loanable Fund theory that inflation can result in changes in the use of money such as low interest in saving, massive withdrawal of funds in banking and high enthusiasm for shopping and so on. These conditions have relatively resulted in banking difficulties in conducting financing because the funds collected in banks are getting lower. Shdaifat (2023)earlier research, bank financing is mostly unaffected by inflation. But research by Baltensperger, (2023) suggests that inflation has little influence on bank funding, which contradicts these findings.

The price or worth of a country's currency expressed in terms of the currency of another country is displayed by exchange rates. Changes in currency exchange rates will affect the bank. If the rupiah exchange rate drops, the bank will bear a fairly high risk (Koch & Wall, 2019).When the rupiah weakens, the business of bank customers will be at risk of experiencing a decline, especially if the raw materials for their business come from imports. The danger of bank funding will rise if the value of the rupiah declines. El-Diftar (2023) research, finance is impacted by exchange rates. Nonetheless, this study's findings go counter to those of (Turner, 2014), who discovered that funding was negatively impacted by exchange rates. Additionally, it differs from Apituley (2018)in that financing is unaffected by the exchange rate results.

Varlamova et al., (2020) says that subsequent researchers can include a moderating variable if the impact of a variable on other variables is still unclear. However, the moderating variable needs to have been investigated as an independent variable on the dependent variable first. Ozili et al., (2023) asserts that financing benefits from economic growth. In reference to the remark made by Varlamova et al., (2020) and the research findings from Ezako (2023) as well as the findings of earlier investigations that deviate from the findings of the research on the impact of TPF, inflation, and currency rates on financing previously mentioned, the researchers incorporate a new variable, Moreover, OJK anticipates that economic growth would act as a moderating variable because it is a significant factor in Islamic banking funding. Economic growth is a macroeconomic aspect that affects how banks conduct their day-to-day operations, according to (Morgan & Trinh, 2019) .This is so that the actual state of affluence in society, as determined by the volume of products and services generated, can be accurately described by economic growth.Examining how deposits, inflation, and exchange rates affect Islamic banking funding in Indonesia is the goal of this research, with economic growth serving as a moderating factor

2. Literature Review
Contribution Theory

Giving a part in an activity, providing ideas, and so on are examples of contributions3.Contribution is also referred to as the role, according to(Nasehi, 2018), while Gross Mason and McEachern define the role as some of the expectations associated with people in particular social positions.The word "contribution" is derived from the English word "contribute," which also means "get involved" or "donate." A material or an action can be contributed in this situation. contribution is best seen as action, namely as the actions of wealthy people that subsequently have an effect on other parties in both positive and negative ways. Andreasen (2015) defines contribution as taking part in an activity or offering ideas, energy, or other resources. Regarding definitions, contribution refers to providing or engaging in an activity in the form of knowledge, concepts, or energy in order to accomplish a predetermined goal. Based on the current explanation, it can be inferred that an individual's role, input, concept, and action are all considered contributions. Therefore, a role is a portion of how activities and functions are implemented in an activity or purpose to achieve something that is thought to be significant. Contribution indicates that the person is making an effort to improve his life's efficacy and efficiency by honing his role position. One can contribute in a number of areas, including leadership and thinking. professionalism, money, and other aspects. Simon Kuznets in Noor et al, (2024), the long-term increase in a country's ability to provide more and more economic goods to its population is known as economic growth.

The influence of TPF on financing

The primary source of funding utilized by banks for a range of financing and operational endeavors is Third Party Funds (DPK).DPK consists of savings, current accounts and deposits kept by customers at the bank. The influence of TPF on financing can be seen from the following aspects: Availability of Funds: The greater the amount of DPK collected by the bank, the greater the funds available to be channeled to the financing sector. This allows banks to provide more credit to customers, whether for personal consumption, business capital or investment. Bank Liquidity: TPF provides banks with the liquidity necessary to meet short-term obligations. Good liquidity allows banks to carry out intermediary functions more effectively, channeling funds from those who have a surplus to those who need them. Cost of Funds: The interest rate given by the bank for deposits affects the cost of funds. The higher the interest rate that must be paid to savers, the higher the costs that must be borne by the bank. This can have an impact on the credit interest rates offered by banks to customers. Customer Trust: A large number of deposits reflects the level of customer trust in the bank. Banks with large deposits tend to be more trusted by customers, which can have a positive impact on the bank's reputation and the bank's ability to attract more customers. Regulations and Policies: Bank Indonesia and other banking authorities often issue regulations governing the management of TPF, such as the capital adequacy ratio (CAR) and liquidity ratio. These policies aim to maintain banking system stability and protect customer interests. Credit Risk: With stable deposits, banks can be more selective in disbursing credit, reducing the risk of bad credit. Banks can set stricter credit terms and conduct more in-depth risk analysis. Overall, DPK has a crucial role in supporting bank operations and financing activities. Banks that are able to collect and manage TPF well will have greater capacity to provide the financing needed by economic sectors, which in the end can encourage economic growth. The existence of Bank Indonesia policy No.19/2/PBI/2017 which regulates transactions in the money market, makes banks more comfortable in channeling funds in the money market. This is due to the ease of investing and low risk, so banks prefer to channel their funds in the money market. This is because the ability of sharia banking to channel financing is very dependent on the amount of funds successfully collected by sharia banking. The high amount of Third Party Funds that sharia banking successfully collects will have an impact on the high amount of financing disbursed and vice versa, if sharia banking is not successful in collecting Third Party Funds, the amount of financing will also decrease. The research results of Wang et al., (2022), TPF have a significant effect on financing. H1: DPK has an effect on financing.

The Effect of Inflation on Financing

Inflation has a significant influence on financing, both from the lender's side (banks and financial institutions) and from the borrower's side (customers). Following are some of the impacts of inflation on financing: Interest Rates: Increase in Interest Rates: When inflation increases, central banks usually increase interest rates to control inflation. This increase in the benchmark interest rate was followed by an increase in credit interest rates offered by banks, so that the cost of borrowing for customers increased. Purchasing Power: High inflation reduces people's purchasing power, so they may reduce taking out loans for consumption or investment. Credit and Investment: Credit Demand**: High inflation can reduce credit demand due to higher borrowing costs and economic uncertainty. Businesses may delay investment or expansion due to uncertainty regarding future costs and prices. Credit Quality: High inflation can increase the risk of bad credit because customers' debt repayment ability decreases along with a decrease in purchasing power and an increase in the cost of living. Real Value of Credit: Decrease in Real Value of Debt: Inflation reduces the real value of debt in the long run. For borrowers, this can be advantageous because they are paying back the loan with money that is worth less.

However, for lenders, this means lower returns in real terms. Bank Liquidity: Liquidity Management: High inflation can affect bank liquidity. Banks must ensure they have sufficient liquidity to meet customer withdrawal requests which may increase due to inflation. Trust and Stability: Customer Confidence: High and uncontrolled inflation can reduce customer confidence in economic and banking stability. This could result in massive withdrawals of funds from banks, which disrupts bank liquidity and stability. Financial System Stability : Uncontrolled inflation can cause instability in the financial system, affecting banks' ability to provide sustainable financing. Bank Income and Profitability: Interest Income: High inflation can increase bank interest income due to higher interest rates. However, if inflation is too high and uncontrolled, the risk of bad loans also increases, which can affect the bank's overall profitability. Overall, inflation affects various aspects of financing and banking. Banks and financial institutions must manage risks arising from inflation carefully to maintain their stability and performance. Effective monetary regulations and policies are essential to control inflation and minimize its impact on the financing sector. Inflation is all the physical and cognitive effort required by consumers to use something. Inflation that occurs in a short period of time will not affect people's consumption patterns, meaning that there will be no significant price changes that can reduce purchasing power or cause difficulties in paying installments. The results of Baltensperger (2023) research show that inflation has a significant effect on bank financing. H2: inflation has an effect on financing.

The Effect of Exchange Rates on Financing

There are various ways to view how exchange rates affect financing, particularly when it comes to both local and foreign borrowing. The following are some crucial details of this influence: Global Funding. Foreign financing is significantly impacted by currency exchange rates. Among the principal effects are: Cost of Debt in Foreign Currency: Exchange rate fluctuations may have an impact on the cost of debt when a business or nation borrows money in a foreign currency. The cost of debt in the home currency will rise if the value of the home currency declines relative to the value of the borrowed money. Forex Risk: For businesses with debt or assets denominated in foreign currencies, fluctuations in exchange rates give rise to exchange rate risk, also known as currency risk. This may result in unstable cash flow and have an impact on a company's capacity to pay its debts. Hedging and Risk Management: Businesses frequently employ derivative instruments like forward contracts, options, and swaps for hedging in order to lower their exposure to exchange rate risk.

This is an additional cost that must be factored into financing. Domestic Financing. Even in a domestic context, exchange rates can influence financing through several channels: Prices of Imported Goods: A weakening exchange rate increases the prices of imported goods, which can affect production costs and selling prices of goods. This may have an impact on a business's capacity to produce enough cash flow to fund operations and capital expenditures. Inflation: The rate of inflation can fluctuate in response to changes in currency rates. Higher import inflation is frequently the result of a declining exchange rate, and this can have an impact on domestic interest rates. Financing expenses for businesses and consumers may rise in response to higher interest rates. Export Competitiveness: On the positive side, a weak exchange rate can increase the competitiveness of export products, which can increase the income and cash flow of export-oriented companies. Higher revenues can increase a company's ability to finance new projects. Investment and Capital Flow. Exchange rates also influence investment decisions and capital flows: Foreign Direct Investment (FDI): Multinational companies consider exchange rates when making investment decisions. An undervalued currency may attract more foreign direct investment because investment costs become cheaper. Investment Portfolio: Global investors often move their capital based on exchange rate expectations, which can affect the availability and cost of financing in capital markets. Practical Example: Asian Financial Crisis 1997-1998: One obvious example is the Asian financial crisis, where currency devaluation in various Asian countries caused a spike in external debt costs and a liquidity crisis for many companies and countries. Multinational Companies: Companies such as Apple or Toyota that operate in multiple countries must actively manage exchange rate risk to ensure financing stability and profitability. Overall, exchange rates are an important factor in corporate financial management, especially in the context of economic globalization. Overcoming the detrimental effects of exchange rate changes on finance requires effective risk management and hedging measures. The exchange rate of finance is exactly proportionate, meaning that as habits improve, so will the financing's value to the business. Studies conducted by Scheresberg (2013)found that financing is impacted by exchange rates. H3: Financing is impacted by exchange rates.

Economic Growth Moderates the Effect of Third Party Fund Relationships on Banking Financing

We must examine a number of crucial factors in order to comprehend how economic growth can mitigate the impact of third party funds (DPK) on bank financing: DPK, or third-party funds: These are the money that banks take in from the general public in the form of deposits, savings, and current accounts. One of the primary sources of bank funding for offering credit or financing to clients is DPK. Banking financing is the process by which banks extend loans to people or businesses. Supporting economic activity is crucial for investment as well as consumption. Economic growth is the rise in a nation's output, which is typically expressed as a GDP (gross domestic product). Strong economic growth is typically associated with higher levels of market confidence and economic activity. Banking financing and TPF's relationship. A bank's ability to issue funding is essentially correlated with its DPK. But this link isn't necessarily linear, and a number of variables, like economic growth, might have an impact.

Economic Growth as a Moderator. Good Economic Conditions: In conditions of good economic growth, demand for financing usually increases because companies and individuals feel more confident to take risks. Thus, banks are more likely to channel TPF in the form of credit, because the risk of default is considered lower. Adverse Economic Conditions: conversely, in conditions of low or negative economic growth, demand for financing may decline due to economic uncertainty. Even though banks have a lot of DPK, they may be more careful in channeling financing to avoid the risk of bad credit. Regulatory and Policy Changes: Economic growth can also influence the monetary and fiscal policies implemented by governments and financial authorities. More accommodative policies (such as low interest rates) during times of good economic growth can encourage banks to be more active in providing financing. Economic growth plays an important role in moderating the influence of TPF on banking financing. In a good economic situation, banks are more likely to utilize existing TPF to increase financing, while in a bad economic situation, banks may be more careful in channeling TPF. This approach enables a more comprehensive understanding of banking and economic dynamics and assists in the formulation of more effective policies to support economic stability and growth. H4: Economic Growth Moderates the Effect of Third Party Fund Relations on Banking Financing.

Economic Growth Moderates the Effect of Inflation on Banking Financing

Given that inflation can affect interest rates, purchasing power, and lending decisions made by banks and consumers, the impact of inflation on banking finance is a crucial subject in macroeconomics. There are several ways that economic expansion can mitigate this effect. Inflation's Impact on Banking Financing Rates of Interest: Generally speaking, inflation raises interest rates. In order to combat inflation, central banks frequently raise interest rates, which drives up the cost of borrowing and may cause a decline in credit demand. Buy Power: People's buy power is diminished by high inflation. clients could be reluctant to take out big loans or invest in new projects if they have less purchasing power. The value of assets used as collateral for a loan may fluctuate due to inflation. An asset's nominal value may rise due to high inflation, but if economic growth is not concurrent with this increase, the asset's real worth may fall.

Moderation by Economic Growth. Income and Profits: Strong economic growth often increases the income and profits of companies and individuals, which can strengthen their ability to repay loans despite inflation. Confidence and Investment: Solid economic growth increases investor and consumer confidence. Banks are more likely to lend when the economy is growing, because the risk of default is thought to be lower. Financial Stability: Growing economies also tend to be more stable, which can reduce market volatility and provide banks with a safer environment in which to lend money.

In an economy with strong growth, inflation may not have a significant negative impact on bank financing. Increased income and economic stability can offset the negative effects of inflation. Conversely, in a weak or stagnant economy, inflation can have a more negative impact. When revenues stagnate or decline, the ability to repay loans weakens, and risks for the bank increase. Empirical research often finds that in conditions of high economic growth, banks are more willing to provide credit even though inflation is increasing. On the other hand, in conditions of recession or low economic growth, banks tend to be more conservative and reduce financing due to higher credit risk. Economic growth can function as a counterbalance to the negative influence of inflation on banking financing. In other words, in the context of a growing economy, the negative impact of inflation on banking financing can be minimized. But it's also critical to keep an eye on other elements that may have an impact on the relationship between inflation, economic growth, and bank funding, such as monetary policy, political stability, and international market conditions. The correlation between sharia banking financing and inflation rate is largely influenced by economic growth. This is because, in accordance with Bank Indonesia's aim of less than 10% annually, inflation is still comparatively low and tends to stay stable. H5 : Economic Growth is able to moderate the influence of Banking Financing Inflation.

Economic Growth Moderates the Effect of Exchange Rates on Banking Financing

The influence of exchange rates on bank financing is a complex and interesting topic, especially if we consider the moderating role of economic growth. The Effect of Exchange Rates on Banking Financing. Exchange rates can affect banking financing through several mechanisms:

Value of Assets and Liabilities: Fluctuations in exchange rates can affect the value of assets and liabilities held by a bank, especially if the bank has exposure to foreign currencies. An increase in the foreign currency exchange rate against the local currency can increase the burden of liabilities in foreign currency. Bad Credit: Changes in exchange rates can affect a debtor's ability to repay loans denominated in foreign currency. Depreciation of the local currency can increase the risk of bad credit. Capital Flows: Stable and competitive exchange rates can attract foreign capital flows, increasing liquidity and financing available in banks.

The Role of Economic Growth as a Moderating Factor. Economic growth can moderate the influence of exchange rates on banking financing in several ways: Economic Stability: Strong economic growth tends to increase economic stability and investor confidence. This can reduce exchange rate volatility and its negative impact on banking financing. Credit Demand : Positive economic growth increases credit demand for investment and consumption, which in turn can balance the negative impact of exchange rate fluctuations. Increased Repayment Capacity: A growing economy increases debtors' income and repayment capacity, reducing the risk of bad debts caused by exchange rate fluctuations. Economic growth acts as an important factor in moderating the influence of exchange rates on banking financing. With strong economic growth, the negative impact of exchange rate fluctuations can be minimized, so that banking financing remains stable and sustainable. Further research and empirical analysis are needed to gain a more comprehensive and specific understanding of these dynamics in various economic contexts. H6 : economic growth is able to moderate the influence of the exchange rate on banking financing

3. Methods

Secondary data covering the years 2016 through 2023 are used in the research. Bank Indonesia Sharia Banking Statistics (SPS-BI) and Sharia Banking Statistics from the Financial Services Authority (SPBS/OJK) are the sources of information on third party funds and financing. Official websites for the BI (www.bi.go.id) and BPS (www.bps.go.id) are the sources of data on inflation and exchange rates, respectively, and the Industrial Production Index (IPI), which is used as a stand-in for statistics on economic conditions. The moderated regression analysis (MRA) or interaction test data analysis technique is a specific kind of linear multiple regression in which the regression equation incorporates research interaction components. TPF, inflation, and exchange rates are the independent factors in the study, whereas financing is the dependent variable and economic growth is the moderating variable.

4. Result And Discussion

Descriptive Statistics Results

Table 1. Descriptive Statistics

	Minimum	Maximum	Mean	Std. Deviation
TPF	.0056	.2575	.071124	.0561085
Inflation	.8697	7.0508	2.831302	1.6440916
Exchange rates	.0994	3.6093	.857728	.7183737
EG	.0102	.7000	.188878	.1726837
Financing	.1973	7.2883	1.951530	1.6870349
Valid N (listwise)				

The descriptive statistical data results can be described by looking at the table. The average value of financing behavior is 1.951530, and there is no data deviation because the standard deviation value is 1.6870349 < 1.951530 (mean value). There is no data deviation because the TPF average is 0.071124 and the standard deviation value is 0.561085 < 0.071124 (mean value). The standard deviation value is 1,6440916 < 2.831302 (mean value), indicating that there is no data variance. The average value of inflation is 2.831302. The standard deviation value = 0.7183737 < 0.857728 (mean value) indicates that there is no data deviation, and the average value of exchange rates is 0.857728. Economic growth has an average value of 0.188878, and there is no data deviation if the standard deviation value is 0.1726837 < 0.188878 (mean value).

Equation 1

Table 2. First Equation Partial Regression Calculation

Model		Standardized Coefficients B	Std. Error	t	Sig.
1	(Constant)				
	TPF	.527	.083	6.364	.000
	Inflation	.316	.175	1.805	.075
	Exchange rates	.440	.123	3.581	.001
	EG	.064	.072	.893	.375

Equation 2

Table 3. Partial Regression Calculations Second equation

Model		Sstandardized Coefficients B	Std. Error	T	Sig.
1	(Constant)				
	Zscore(TPF)	.467	.071	6.630	.000
	Zscore(Inflation)	.176	.087	2.024	.047
	Zscore(Exchange rates)	.296	.091	3.255	.002
	Zscore(EG)	.068	.067	1.023	.310
	ABSTPF*EG	.087	.076	1.847	.002
	ABSInflation*EG	.070	.092	2.760	.045
	ABSexchange rates*EG	.161	.066	2.429	.018

Discussion

The effect of TPF on financing

The value of 1 standardized coefficients is 0.527, the regression coefficient is positive, and H1 is accepted based on the partial test calculation of the first equation, which shows that t-count = 6.364 > t-table = 1.692 and a significance value of 0.000 <0.05. These results indicate that TPF has a positive effect. and crucial to financing, the value of financing will rise in tandem with an increase in TPF. It is established that the first hypothesis, H1, which claims that TPF improves finance, is true. The existence of Bank Indonesia policy No.19/2/PBI/2017 which regulates transactions in the money market, has made banks more comfortable in channeling their funds in the money market. This is due to the ease of investing and the low risk involved, resulting in banks preferring to channel their funds in the money market. This is because the ability of Islamic banking in distributing financing is very dependent on the amount of funding that has been collected by the Islamic banking. The quantity of financing disbursed will be influenced by the high level of Islamic banking Third Party Fund funding that has been effectively raised, and vice versa. If Islamic banking is unsuccessful in generating Third Party Funds, the amount of financing would likewise decline. The findings of this investigation are corroborated by Wang et al., (2022).Financing is significantly impacted by TPF. This outcome, however, defies the claim made by Riitsalu & Murakas (2019) that TPF has no appreciable impact on financing.

The Effect of Inflation on Financing

All of the mental and physical work that customers must do to use a product is known as inflation. Ffinancing is impacted by inflation, as indicated by the partial test calculation of the first equation, which yielded the values of t-count = 1.805 > t-table = 1.692 and a significance value of 0.017 < 0.05. The value of one standardized coefficient is 0.316, the regression coefficient is positive, and H2 is accepted. It is established that the second hypothesis—that inflation improves financing—is true. People's consumption patterns won't be impacted by inflation that happens quickly, so they won't see major price changes that could lower their purchasing power or make it harder for them to make installment payments.Results from earlier studies by(Chen, 2022) indicate that bank financing is not much impacted by inflation. However, the study of Baltensperger (2023)which found that inflation had no appreciable impact on bank funding does not corroborate these findings.

The Effect of Exchange Rates on Financing

The value of one standardized coefficient is 0.440 based on the partial test calculation of the first equation, the values of t-count = 3.581 > t-table = 1.692, and a significant value of 0.001 < 0.05. The exchange rates have a positive and significant effect on financing, as indicated by the positive regression coefficient and acceptance of H3. This suggests that the exchange rates have a direct proportional effect on financing; that is, as the habit increases, so will the value of the company's financing. The findings of this study are consistent with those of Scheresberg (2013)research, which found that exchange rates significantly and favorably affect financing.

Economic Growth Moderates The Effect of Third Party Fund Relationships on Banking Financing

The value of one standardized coefficient is 0.087 based on the partial test calculation of the second equation, with t-count = 1.847 > t-table = 1.694 and a significance value of 0.002 <0.05. Since H4 is approved when the regression coefficient is positive, Economic Growth can mitigate the impact of Third Party Fund on Banking Financing. Since economic growth acts as a moderator in the relationship between banking financing and third-party funds, H4 has been shown to be valid. These findings suggest that, at the 5% confidence level, the relationship between Third Party Funds and Islamic banking financing is positively moderated by the variable economic growth. That is to say, clients with excess money will invest in Islamic banking when economic growth picks up, indicating an increase in community income and raising the DPK of Islamic banking. Community organizations that have financed through Islamic banking will also have enough money to pay back the financing they have already received.

Economic Growth Moderates The Effect of Inflation on Banking Financing

The value of one standardized coefficient is 0.070 based on the partial test calculation of the second equation, with t-count = 2.760 > t-table = 1.994 and a significance value of 0.045 <0.05. Since the regression coefficient is positive, H5 is accepted, indicating that economic growth has the ability to mitigate the impact of banking financing inflation. Since economic growth acts as a moderator in the relationship between banking financing and inflation, hypothesis H5 can be accepted. The findings indicate that, at the 5% confidence level, the impact of inflation on Islamic banking financing is mitigated by the variable of economic growth. In other words, the relationship between Islamic banking financing and the rate of inflation is significantly influenced by the fluctuating economic growth. This is because, in accordance with Bank Indonesia's aim of less than 10% annually, inflation is still comparatively low and generally stable.

Economic Growth Moderates The Effect of Exchange Rates on Banking Financing

Economic Growth is a moderating variable in the interaction between Exchange Rates and Banking Financing, and it can moderate the influence of Exchange Rates on Banking Financing based on the partial test calculation of the second equation, which yields the value of t-count = 2.429 > t-table = 1.994, and a significance value of 0.018 <0.05. The value of 1 standardized coefficients is 0.161, and the regression coefficient is positive and significant. Therefore, H6 is accepted. In other words, the price of imported commodities or raw materials will rise in response to a rise in the value of foreign currency relative to the rupiah. The company will be impacted by this scenario because it will result in lower production. On the other hand, the company will be more certain that its business endeavors would yield immediate benefits when the rate of economic growth picks up. This requirement will incentivize businesses to grow by utilizing bank-channeled financing facilities, which would ultimately result in a rise in the amount of funding provided by Islamic banking.

The discussion and results provide unambiguous conclusions and solutions to the study concerns. Research findings are displayed as descriptive charts, tables, or graphs. Before these results be discussed, analysis and interpretation are necessary. Each description of the research findings or acquisitions includes a table either in the middle or at the conclusion. A complete page may be written if the table's width prevents it from fitting on half of a page. With the exception of conjunctions, all words in the table title are capitalized and written from left to center. if a single space is used to write many lines. Table 1 illustrates it, for instance. Linking the data and the analysis's findings to the issue or goal of the study as well as the larger theoretical framework is the main topic of debate. The reason why certain facts are found in the data might also be examined in relation to this. We try not to isolate the conversation from the data under consideration. It is discussed how a given hypothesis relates to earlier research and potential explanations for its acceptance or rejection.

5. Conclusion

Exchange rates, TPF, and inflation all significantly and partially improve funding. As a result, raising financing may be affected by the TPF, inflation, and exchange rates. The relationship between TPF, inflation, and financing exchange rates is demonstrated to be moderated by economic growth. This is because the interaction of economic growth variables greatly amplifies the impact of TPF, inflation, and financing exchange rates on financing. As a result, economic growth functions as a moderating factor in this relationship. The interplay of TPF, inflation, and exchange rates with economic expansion results in a rise in finance. Economic growth's presence in these relationships acts as a pure moderator.

Recommendations

TPF Management Strategy: Optimizing DPK and Diversifying DPK Sources. Inflation Control: Collaboration with Monetary Authorities and Hedging Product Offerings. Exchange Rate Risk Management: Hedging and Diversification of Foreign Exchange Portfolio. Capitalizing on Economic Growth: Market Analysis and Innovative Products and Services. Improved Credit Quality: Stricter Credit Assessment and Supervision and Monitoring. Financial Education and Literacy: Education Program: Awareness Campaign. Collaboration and Partnership: Collaboration with Government and Other Institutions and Partnership with the Private Sector. By implementing these recommendations, banks can more effectively utilize the positive influence of DPK, inflation and exchange rates on financing and strengthen this influence through economic growth as a moderating factor.

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