

ABSTRACT

Profitability is one of the indicators used to assess the performance of sharia banking. Based on OJK data, historically sharia banks have grown and developed until 2022, but other sharia banks have fluctuating levels of profitability and do not necessarily have the same direction as the growth of sharia banking itself. Bank BTPN Syariah's profitability recorded good performance and a positive direction from 2015-2022. This indicates that BTPN Syariah's performance is good and it is able to distribute financing well.

This research was carried out using a quantitative approach which focused on examining the influence of FDR, DPK, Inflation, BI Rate and Exchange Rate on the level of profitability of Bank BTPN Syariah. Secondary data comes from Bank Indonesia, OJK, BPS, and BTPN Syariah Financial Reports for the 2015-2022 period. Research data was collected using documentation techniques and analyzed Autoregressive Distributed Lag – Error Correction Model (ARDL-ECM) using the E-views 12 application.

Based on the selection of the optimum lag, the resulting ARDL model is ARDL (1,1,1,0,0,0). The ARDL-ECM estimation results show that the FDR and DPK variables have a positive effect in the short and long term. BI Variables Rate have a negative effect in the short and long term, while inflation and exchange rates have no effect in the short and long term. The findings from this study are R values² amounting to 71,21% of BTPN Syariah's profitability. The speed of adjustment of short-term dynamics towards the long term will be corrected by 47% in the first period.

Keywords: ARDL, Bank Specific, Macroeconomy, Profitability, BTPN Syariah.