

THE INFLUENCE OF MACROECONOMIC VARIABLES ON PROFITABILITY SHARIA COMMERCIAL BANKS IN INDONESIA (Case Study at Bank Muamalat Indonesia for the 2007-2021 period)

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ABSTRACT

This study aims to find out about the effect of macroeconomic variabel on the profitability of Bank Muamalat Indonesia for the 2007-2021 period. The object of research in this study is Bank Muamalat Indonesia for the 2007-2021 period. The research method used in this research is the documentation study method. The population in this study is report on inflation, exchange rate, BI Rate, money supply and annual ROA report at Bank Muamalat Indonesia for the 2007-2021 period which has been published by Bank Muamalat Indonesia. Statistical test using multiple linear regression analysis were processed using EvIEWS 12, with a significant level of 5%. The result of this study indicate that the Inflation and BI Rate partially influences profitability of Bank Muamalat Indonesia, while the Exchange rate and money supply partially has no effect on profitability of Bank Muamalat Indonesia, and inflation, exchange rate, BI Rate, and money supply simultaneously influences profitability of Bank Muamalat Indonesia.

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1. INTRODUCTION

According to Law no. 10 of 1998, a bank is a business entity that collects funds from the public from savings and distributes them to the public in the form of credit to encourage an increase in the standard of living of ordinary people. According to Article 4 paragraph (2) Law no. 3 of 2004 concerning banking, Bank Indonesia is an independent state institution in carrying out its duties and authorities, free from interference by the government or other parties, except for matters expressly regulated in this law.

In subsequent developments, banking developed into a place to save money, or now it is called savings. Banking then developed into a money lending business, collecting funds from people who had excess money and channeling it back to those who lacked fund or needed it. The acquisition of bank assets is highly dependent on investment and the income side. The quality of funds generated from investment activities can reflect bank performance which also affects the profitability level.

According to [1], [2] Profitability is the ability of a bank to generate profits efficiently and effectively. Profitability is used to determine the extent to which a bank can generate profits from bank operational activities and non-operational results. In financial theory, the concept of profitability is often used as an indicator to measure the efficiency of a company, which is a representation of management efficiency. The profitability ratio is the ratio used to assess a company's ability to generate the profits [3]. This ratio also measures the effectiveness of corporate governance. Bank profitability can be used as a benchmark for the company's results because the higher the company's profitability, the better the company's results.

The profitability indicator used in this study is Return on Assets (ROA). Return On Assets or ROA is an indicator of a bank's ability to obtain a return on several assets owned by the bank. ROA is a ratio that shows the efficiency level of asset management carried out by the bank's concern. ROA is used to determine a bank's ability to generate profit relative to total assets. Several macroeconomic variables that affect profitability are inflation, exchange rates, money supply, and the BI rate. The variable that affects a bank's ROA is an inflation. In simple terms, inflation is a general and continuous increase in the price of a good.. Simply put, inflation is a general and continuous increase in the price of goods. High and uncontrolled inflation can disrupt banks' efforts to save people's money because high inflation lowers interest rates and causes capital to flow abroad. This fact makes it difficult for banks to obtain public funding and thus have to exercise their financial financing options. High inflation also created business

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protocols and disrupted bank operational activities, such as budgeting and credit planning, which impacted the bank's financial condition.

The purpose of this research is to analyze and find out whether these macroeconomic variables affect the profitability of Islamic commercial banks in Indonesia. In this study, the macroeconomic variables used by researchers were inflation, exchange rates, money supply, and the BI rate, while profitability is also called return on assets (ROA). This research is important to provide information and describe the effect of macroeconomic variables on profitability, especially for Islamic commercial banks in Indonesia from 2007 to 2021, so that Islamic bank management can determine appropriate policies related to macroeconomic policy changes. Islamic bank management can also take proactive steps to manage risks arising from changes in macroeconomic policies.

The following is data on the movement of profitability, inflation, exchange rates, money supply, and the BI Rate for the 2007-2021 period.:

Table 1. Profitability Data (ROA), Inflation, Exchange Rates, Money Supply, and BI Rate for the 2007-2021 Period.

ANNUAL STATISTICAL DATA OF BANK MUAMALAT ROA IN INDONESIA PERIOD 2007-2021						
BUS	YEAR	ROA (%)	INFLATION (%)	EXCHANGE RATEI (IRp)	MONEY SUPPLY (Miliarl Rp)	BI RATE (%)
BMI (Bank Muamalat Indonesia)	2007	2.18	6.59	9.419	1.649.662	3.48
BMI (Bank Muamalat Indonesia)	2008	2.60	11.6	10.950	1.895.839	3.33
BMI (Bank Muamalat Indonesia)	2009	0.45	2.78	9.400	2.141.383	3
BMI (Bank Muamalat Indonesia)	2010	1.36	6.96	8.991	2.471.206	3.92
BMI (Bank Muamalat Indonesia)	2011	1.13	3.79	9.068	2.877.220	2.33
BMI (Bank Muamalat Indonesia)	2012	0.20	4.3	9.670	3.307.508	1.83
BMI (Bank Muamalat Indonesia)	2013	0.27	8.38	12.189	3.730.409	1.89
BMI (Bank Muamalat Indonesia)	2014	0.17	8.36	12.440	4.173.327	1.76
BMI (Bank Muamalat Indonesia)	2015	0.20	3.35	13.795	4.548.800	1.73
BMI (Bank Muamalat Indonesia)	2016	0.22	3.02	13.436	5.004.977	1.48
BMI (Bank Muamalat Indonesia)	2017	0.11	3.61	13.548	5.419.165	1.47
BMI (Bank Muamalat Indonesia)	2018	0.08	3.13	14.481	5.760.046	1.25
BMI (Bank Muamalat Indonesia)	2019	0.05	2.72	13.901	6.136.777	1.12
BMI (Bank Muamalat Indonesia)	2020	0.03	1.68	14.105	6.905.939	0.82
BMI (Bank Muamalat Indonesia)	2021	0.02	1.87	14.269	7.870.453	0.65

Data source : www.bi.go.id dan bps.go.id

The data from the table above shows that the profitability of Bank Muamalat Indonesia in 2007 was 2.18% and in 2008 it is increased by 0.42% and in 2008 inflation increased by 5.1%. In 2008 the exchange rate also increased but decreased from 2009 to 2012. From 2013-2021 the exchange rate experienced a significant increase. From 2008-2021 JUB experienced a significant increase. In 2008 the BI Rate decreased by 0.15% and increased again in 2010 by 0.92%.

In the journal [4] Bank profitability level can be influenced by two factors, that's internal factors and external factors. [5]. Rivai, H. et al., (2007), In this study, researchers only looked at the level of profitability from external factors. (Rivai, H. et al., 2007) External factors that affect bank profitability are macroeconomics, Macroeconomic variables that affect bank profitability include inflation, exchange rates, gross domestic product, and the money supply. External factors used in this study are inflation, exchange rates, and the money supply.

The reason why authors chose external variables is that macroeconomics can affect the company's daily operations. The macroeconomic environment is an environment that reflects economic activity in general. Macro factors are factors that in outside the company but directly or indirectly affect the growth or decline of the company's results. Internal variables are variables that can have a direct effect on increasing or decreasing business performance.

Based on the problems described above, the authors identify several problems from line research, namely how macroeconomic variables affect the profitability of Bank Muamalat Indonesia for the 2007-2021 period.

The purpose of this study was to find out how macroeconomic variables influence the profitability of Bank Muamalat Indonesia for the 2007-2021 period.

This research helps increase knowledge and insight into macroeconomic influences, that's inflation, exchange rates, money supply, and the BI Rate for Bank Muamalat Indonesia, especially for all Islamic Commercial Banks in Indonesia.

2. METHOD

Type and Data Source

This type of research is quantitative research. According to [7] Quantitative research is a research method based on the philosophy of positivism, used for research on populations or samples, collecting data using research instruments, and analyzing data quantitatively or statistically, to test established hypotheses arrange.

Data and Data Sources

The type of data used in this research is secondary data using time series data (annual). Data sources were taken from several sources, namely the official website of the Financial Services Authority (OJK) online with the website www.ojk.go.id and Sharia Banking Statistical data. The research data taken is ROA, and the official website of Bank Indonesia, the website www.bi.go.id to collect data on inflation, exchange rates, money supply, and the BI rate.

Method of collecting data

The method used in collecting data to conduct this research is a documentary study in which this research is conducted by collecting data in the form of annual financial reports of Islamic Commercial Banks in Indonesia concerning Islamic Banking Statistics for 2007-2021 (www.ojk.go.id) and collecting data in the form of data on inflation, exchange rates, money supply, and the BI Rate.

Research Instruments

According to [8] A research instrument is a tool used to measure observed natural and social phenomena.

According to [7] declare that the independent variable is a variable that influences or causes the change or emergence of the dependent variable.

According to [7] Declare that the dependent variable is that is affected or which is the result, Because of the independent variables. The independent variable in this study is the Effect of Macroeconomic Variables (inflation, exchange rates, money supply, and the BI Rate) and the dependent variable in this study is the Profitability of Bank Muamalat Indonesia.

Analysis Method

A. Descriptive Statistics

[9] Declare that descriptive statistics provide an overview of data that can be observed from the average value (mean), standard deviation, variance, maximum, minimum, sum, range, kurtosis, and skewness. Descriptive statistics is usually used to describe the sample data profile before using statistical analysis techniques that function to test hypotheses. Descriptive statistics can explain the variables contained in this study.

B. Classical Assumption Testing

The classical assumption test used to determine whether the results of the multiple linear regression analysis used to analyze this study are free from classic assumption deviations or not. (Ghozali, 2016). To test data in this study, the classical assumption test was used. The classical assumption test consisted of normality test, multicollinearity test, heteroscedasticity test, and correlation auto test.

C. Multiple Linear Regression Analysis

Multiple linear regression is used for studies that have more than one independent variable. According to [11], Multiple linear regression analyses are used to determine the direction and how much influence the independent variables have on the dependent variable. The results of multiple linear regression analysis will test how much influence macroeconomic variables have on the profitability of Bank Muamalat in Indonesia. The research model uses time series data. The research model to be analyzed is:

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$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Source : [7]

Information :

Y = Profitability (ROA)

β_0 = Constant

β_{1-4} = Regression Coefficient

X_1 = Inflation

X_2 = Exchange rate

X_3 = Money Supply

X_4 = BI Rate

e = Standard Error

D. Hypothesis Testing

E. Sample Data Test

Partial Significance Test (Statistical t Test)

The t-test is used to test the hypothesis partially to show the effect of each independent variable on the dependent variable. The t-test is a test of the regression coefficient of each independent variable on the dependent variable to find how much influence the independent variables have on the dependent variable [11]. The steps for testing using the t-test are to Determine the level of significance of the research $\alpha = 5\%$

The research significance level of 0.05 (5%) means that it is most likely that the results of the conclusion have a profitability of 95% or an error tolerance of 5% with degrees of freedom ($df = n - k - 1$).

Simultaneous Significant Test (F Test)

This simultaneous significance test is used to determine how much the independent variable is ($X_1, X_2, X_3, \text{ dan } X_4$) simultaneously affect the dependent variable (Y). F-test analysis was carried by comparing the F count and F table. However, before comparing the F scores, level of significance must be determined ($1 - \alpha$) and degree of freedom = $n - (k + 1)$ in order to determine the critical value. The Alpha value used in this study is 0,05.

Data Normalization Test

The normality of the data can be seen from the histogram image, but often the pattern does not follow the normal curvature, so it is difficult to conclude. It's easier to see the coefficients Jarque-Bera (J-B) and the probability. These figures support each other. Jarque-Bera is a statistical test to determine whether the data is normally distributed [12]. There are two ways to see if the data is normally distributed, that is :

1. If the value of J-B is not significant (smaller than the J-B table), then the data is normally distributed.
2. If the probability is greater than 5% (significance level), then the data is normally distributed.

Classic assumption test

The classical assumption test is used to determine whether the results of the multiple linear regression analysis used to analyze in this study are free from classic assumption deviations or not [9]. The regression model will be used for forecasting, a good model is a model with minimal forecasting errors. Therefore a model before being used must meet several assumptions which are commonly called classical assumptions. This classical assumption test was carried out before the formation of the regression model so that the regression model formed would produce a reliable estimate BLUE (best linier unbiased estimator) [13]. The tests used are the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

The test of Coefficient Determination

According to [9] The coefficient of determination (R^2) basically measures how far the model's ability to explain the variation in the dependent variable. The coefficient of determination is between zero and one. The small value of R^2 means that the ability of the independent variable to explain the variation in the dependent variable is limited. A value that is close to one means that the independent variable provides almost all the information needed to predict the variation of the independent variable.

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3. RESULT AND DISCUSSION

Research Descriptive Statistics

Table 2 Descriptive Statistical Test Results

	Roa	Exchange Rate	Inflation	Money Supply	BI Rate
Mean	0.604667	11977.47	0.604667	4259514.	2.004000
Median	0.200000	12440.00	0.200000	4173327.	1.760000
Maximum	2.600000	14481.00	2.600000	7870453.	3.920000
Minimum	0.020000	8991.000	0.020000	1649662.	0.650000
Std.Dev	0.828491	2152.313	0.828491	1908432.	1.001034
Skewness	1.467986	-			
		0.303624	1.467986	0.295202	0.589943
Kurtosis	3.734754	1.391751	3.734754	2.026148	2.190180

Source : Output results using *Eviews 12*

Based on the table above, the results of the descriptive statistical test are explained as :

- Based on table 2 that variable Return On Assets (ROA), the amount of data (N) is 15, with the average Return On Asset 0,60 percent, minimum value Return On Asset is 0,02 percent, maximum value Return On Asset 2,60 percent and standar deviation value Return On Asset is 0,82 percent.
- For the exchange rate variable the amount of data (N) is 15. With the average exchange rate is 1,19 percent, minimum value exchange rate is 8,89 percent, maximum value is 14,48 percent and standar deviation value exchange rate is 2,15 percent.
- For the inflation variable the amount of data (N) is 15. With the average inflation is 0,60 percent, minimum value inflation is 0,02 percent, maximum value inflation is 2,60 percent and standar deviation value inflation is 0,82 percent.
- For the money supply the amount of data (N) is 15. With the average money supply is 42,59 percent, minimum value money supply is 16,49 percent, maximum value is 78,70 percent and standar deviation value money supply is 19,08 percent.
- For the BI Rate the amount of data (N) is 15. With the average BI Rate is 2,0 percent, minimum value is 0,65 percent, maximum value BI Rate is 3,92 percent and standar deviation BI Rate is 1,0 percent.

Data Analysis and Hypothesis Testing

The hypothesis proposed will be proven using statistical methods. In this study the hypothesis proposed that there is an influence of macroeconomic variables on the profitability of Bank Muamalat Indonesia for the 2007-2021 period.

1. Classical Assumption Testing

• Normality Test

Based on the results of the normality test, it can be concluded that the assumptions of normality for the regression model to be researched are normally distributed and have been fulfilled.

• Multicollinearity Test

Based on the results of the multicollinearity test, there is no multicollinearity in the regression model to be formed, so that multicollinearity has been fulfilled.

• Heteroscedasticity Test

Based on the results of the heteroscedasticity test on the research data there is no heteroscedasticity so that it was fulfilled.

• Autocorrelation Test

Based on the results of the autocorrelation test on the research data, there is no autocorrelation so that it is fulfilled.

Multiple Linear Regression

Table 3 Multiple Linear Regression Results

Dependent Variable: ROA

Method: Least Squares

Date: 01/09/23 Time: 20:32

Sample: 2007 2021

Included observations: 15

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	14.74122	11.49078	1.282873	0.2285
LOG(INFLASI) X ₁	0.750676	0.241482	3.108623	0.0111
LOG(JUB) X ₃	-1.571850	0.813897	-1.931266	0.0823
LOG(SUKU_BUNGA) X ₄	-1.873529	0.739698	-2.532831	0.0297
LOG(KURS) X ₂	1.263909	1.064315	1.187533	0.2625

The regression model formed based on the results of the study is :

$$Y = 14.74122 + 0.750676X_1 + 1.263909X_2 - 1.571850X_3 - 1.873529X_4$$

In the regression model can be explained as :

- If β_0 = constant value 14,741. That is, if the variable profitability (Roa) (Y) not influenced by four independent variabels that is inflation, exchange rate, money supply, and BI Rate (zero value), then the constant coefficient of profitability ratio (ROA) (Y) will be of value 14,741
- If the value of the regression coefficient of the inflation variable shows 0,750, meaning that if the inflation variable increases by (1) unit, while the other independent variables, that is exchange rate variables, money supply and BI Rate are considered constant (Zero value), then the dependent variable, the profitability variable (ROA), will experience an increase of 0,750.
- If the value of the regression coefficient of the exchange rate variable shows 1,263, meaning that if the exchange rate variable increases by (1) unit, while the other independent variabels, that is inflation, money supply, and BI Rate are considered constant (Zero value), then the dependent variable, the profitability variable (ROA), will experience an increase of 1,263.
- If the value of the regression coefficient of the money supply variable shows -1,571, meaning that if the money supply variable increase by (1) unit, while the other independent variables, that is exchange rate, inflation, and BI Rate are considered constant (Zero value), then the dependent variable, the profitability variable (ROA), will experience an increase of -1,571.
- If the value of the regression coefficient of the BI Rate variable shows -1,873, meaning th6at if th6e BI Rate supply variable increase by (1) unit, while the other independent variables, that is exchange rate, inflation, and money supply are considered constant (Zero value), then the dependent variable, the profitability variable (ROA), will experience an increase -1,873.

Statistical t-Test

Table 4 Statistical t-Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	14.74122	11.49078	1.282873	0.2285
LOG(INFLASI)	0.750676	0.241482	3.108623	0.0111
LOG(JUB)	-1.571850	0.813897	-1.931266	0.0823
LOG(SUKU_BUNGA)	-1.873529	0.739698	-2.532831	0.0297
LOG(KURS)	1.263909	1.064315	1.187533	0.2625

The Effect of Inflation on the Profitability of Bank Muamalat Indonesia

From the results of the t-test, it can be seen that the t_{count} for the inflation variable is 3,108623. So that the value of t_{table} is 2,228 which means $-t_{count} < -t_{table}$ that is $3,108 > 2,228$ while the value of $prob < \alpha$ is $0,011 < 0,05$. So it can be concluded that *there is an influence* on the profitability of Bank Muamalat Indonesia.

The Effect of Exchange Rate on the Profitability of Bank Muamalat Indonesia

From the results of the t-test it can be seen that the t_{count} for the exchange rate variable is 1.187533. So that the value of t_{tabel} is 1.812 which means $-t_{count} < -t_{tabel}$ that is $1.187 < 1.812$ with the

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value of prob < value α is $0,262 > 0,05$. So it can be concluded that *there is no influence* on the profitability of Bank Muamalat Indonesia.

The Effect of BI Rate on the Profitability of Bank Muamalat Indonesia

From the results of the t-test it can be seen that the t_{count} for the BI Rate is -2.532831 . So that the value of t_{tabel} is 1.812 which means $-t_{count} < -t_{tabel}$ that is $2.532 > 1.812$ with the value of prob < value α is $0,029 < 0,05$. So it can be concluded that *there is an influence* on the Bank Muamalat Indonesia.

The Effect of Money Supply on the Profitability of Bank Muamalat Indonesia

From the results of the t-test it can be seen that the t_{count} for the Money Supply is -1.931266 . So that the value of t_{tabel} is 1.812 which means $-t_{hitung} < -t_{tabel}$ that is $1.931 > 1.812$ with the value of prob < value α is $0,082 > 0,05$. So it can be concluded that *there is no influence* on the profitability of Bank Muamalat Indonesia.

Statistical f-Test

Table 5 Statistical f-Test Results

R-squared	0.864101	Mean dependent var	0.604667
Adjusted R-squared	0.809741	S.D. dependent var	0.828491
S.E. of regression	0.361377	Akaike info criterion	1.063413
Sum squared resid	1.305935	Schwarz criterion	1.299430
Log likelihood	-2.975598	Hannan-Quinn criter.	1.060899
F-statistic	15.89596	Durbin-Watson stat	1.847828
Prob(F- statistic)	0.000247		

From the results of the f-test it can be seen that the F_{count} $15.895 > F_{tabel}$ 8.64 which means H_0 is rejected and H_a is accepted. It is also the same as using the probability value where the probability value is $(0.000247) < \alpha$ (0.05) it explains that the inflation, exchange rate, money supply and BI Rate together have a simultaneous influence on the profitability of Bank Muamalat Indonesia.

Coefficient of Determination R^2

The coefficient of multiple determination (R-squared) in the table can be seen that 0.864101 which means that sets of dependent variables in the model can explain independent variables by 86.4101% . While the rest is explained by other variables outside the model that are not examined.

Discussion of the Research Test Results

1. The Effect of Inflation on the Profitability of Bank Muamalat Indonesia for the Period 2007-2021

From the results of the t test it can be seen that the t_{count} for the inflation variable is 3.108623 and for the t_{tabel} obtained from the formula $df = (n-k-1)$, $df = (15-4-1) = 10$ (n is the number of samples and k is the number of independent variables). So that the t_{tabel} value is 2.228 which means $-t_{count} < -t_{tabel}$, that is $3.108 > 2.228$ while the prob value < α value, that is $0.011 < 0.05$. So it can be concluded that inflation has an influence on the profitability of Bank Muamalat Indonesia.

This research is the same as previous research by [14] entitled "The Effect of Macroeconomic Variables on the Profitability of Islamic Commercial Banks in Indonesia for the 2016-2020 Period" which states that there is an effect of inflation on the profitability of Islamic commercial banks. Then the research by [15] entitled "The Effect of Macroeconomic Variables on Rupiah Exchange Rate and Inflation on the Profitability of Islamic Commercial Banks in Indonesia" states that Inflation Has an Influence on the Profitability of Islamic Commercial Banks in Indonesia. Then the research by [16] entitled "The Effect of Macroeconomics on Islamic Banking Profitability during the Covid-19 Pandemic" states that Inflation has a correlation to profitability or has an effect on profitability (return on assets). However, it does not support research by [17] entitled "The Effect of Inflation, BI Rate and Rupiah Exchange Rate on Profitability (Case Study at Bank BJB for the Period 2008-2016)" stating that Inflation is not proven to affect profitability (ROA).

2. The Effect of Exchange Rate on the Profitability of Bank Muamalat Indonesia for the Period 2007-2021

From the t test results, it can be seen that the tcount for the exchange rate variable is 1.187533 and the ttable is obtained from the formula $df = (n-k-1)$, $df = (15-4-1) = 10$ (n is the number of samples and k is the number of independent variables). So that the ttable value of 1.812 is obtained, which means $-tcount < -ttable$, that is $1.187 < 1.812$ while the prob value $< \alpha$ value is $0.262 > 0.05$ So it can be concluded that there is no influence on the profitability of Bank Muamalat Indonesia.

This research is the same as previous research by [18] entitled "Analysis of the Effect of Inflation, Currency Exchange Rate, Per Capita Income, Non Performing Financing and Capital Adequacy Ratio on Profitability of Islamic Banks in Indonesia" states that the test results for the Exchange Rate variable, partially the exchange rate is not significant to the profitability (ROA) of Islamic banks, this can be seen at the significant level of the Exchange Rate of 0.067 which is higher than the level of significance which is 0.05. So the research hypothesis that reads "Exchange rate affects the profitability (ROA) of Islamic banks in Indonesia" is rejected. However, it does not support research by [14] entitled "The Effect of Macroeconomic Variables on the Profitability of Islamic Commercial Banks in Indonesia for the 2016-2020 Period" which states that the exchange rate has a significant effect on the profitability of Islamic commercial banks.

3. The Effect of BI Rate on the Profitability of Bank Muamalat Indonesia for the Period 2007-2021

From the results of the t test it can be seen that the tcount for the BI Rate variable is -2.532831 and for the ttable obtained from the formula $df = (n-k-1)$, $df = (15-4-1) = 10$ (n is the number of samples and k is the number of independent variables). So that the ttable value is 1.812, which means $-count < -table$, that is $2.532 > 1.812$ while the prob value $< \alpha$ value, that is $0.029 < 0.05$. So it can be concluded that there is an influence on the profitability of Bank Muamalat Indonesia.

This research is the same as previous research by [14] entitled "The Influence of Macroeconomic Variables on the Profitability of Islamic Commercial Banks in Indonesia for the 2016-2020 Period" states that there is an influence of BI Rate on the profitability of Islamic commercial banks. However, it does not support research by [19] entitled "The Effect of Financial Ratios and Macroeconomic Variables on the Profitability Conditions of Bank Muamalat Indonesia in 2004-2014" which states that the BI rate has no influence on the size of BMI's profitability. The increase in the BI rate value does not cause the profit conditions obtained to decrease. Vice versa, the decline in the value of the BI rate does not cause BMI profits to increase.

4. The Effect of Money Supply on the Profitability of Bank Muamalat Indonesia for the Period 2007-2021

From the results of the t test it can be seen that the tcount for the variable Amount of Money in Circulation is -1.931266 and for the ttable obtained from the formula $df = (n-k-1)$, $df = (15-4-1) = 10$ (n is the number of samples and k is the number of independent variables). So that the ttable value is 1.812 which means $-count < -table$, that is $1.931 > 1.812$ while the prob value $< \alpha$ value, that is $0.082 > 0.05$. So it can be concluded that there is no influence on the profitability of Bank Muamalat Indonesia.

This research is the same as previous research by [14] entitled "The Influence of Macroeconomic Variables on the Profitability of Islamic Commercial Banks in Indonesia for the 2016-2020 Period" states that there is no effect of Money Supply on the profitability of Islamic commercial banks.

5. The Effect of Inflation, Exchange Rate, Money supply, and BI Rate on Profitability of Bank Muamalat Indonesia for the Period 2007-2021

Based on the results of the f-test above, it can be concluded that the Fcount value is 15.895 > Ftable 8.64 which means H_0 is rejected and H_a is accepted. This is also the same as using the probability value where the probability value $(0.000247) < \alpha (0.05)$ this explains that simultaneously inflation, exchange rate, money supply and BI Rate have an influence on the profitability of Bank Muamalat Indonesia.

This research is the same as previous research by [14] entitled "The Effect of Macroeconomic Variables on the Profitability of Islamic Commercial Banks in Indonesia for the 2016-2020 Period" states that there is a simultaneous influence of inflation, exchange rates, money supply and BI Rate on the profitability of Islamic commercial banks in Indonesia.

4. CONCLUSION

There is an effect of inflation partially on the profitability of Bank Muamalat Indonesia. This can be proven by looking at the value of $-tcount < -ttable$ which is $3.108 > 2.228$ while the prob value $< \alpha$ value which is $0.011 < 0.05$, then H_0 is rejected and H_a is accepted. There is no partial effect of exchange rate on the profitability of Bank Muamalat Indonesia. This can be proven by looking at the value of $-tcount < -ttable$ which is $1.187 < 1.812$ while the prob value $< \alpha$ value which is $0.262 > 0.05$, then H_0 is rejected. There is an effect of BI Rate partially on the profitability of Bank Muamalat Indonesia. This can be proven by looking at the value of $-tcount < -ttable$ which is $2.532 > 1.812$ while the prob value $< \alpha$ value which is $0.029 < 0.05$, then H_0 is rejected and H_a is accepted. There is no partial effect of Money Supply on the profitability of Bank Muamalat Indonesia. This can be proven by looking at the value of $-tcount < -ttable$ which is $1.931 > 1.812$ while the prob value $< \alpha$ value which is $0.082 > 0.05$, then H_0 is rejected. There is an effect simultaneously inflation, exchange rate, money supply and BI Rate on the profitability of Bank Muamalat Indonesia.

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