

ABSTRACT

Fintech encompasses a group of financial technologies and media that make financial products and services more accessible. Digital banking is an outgrowth of fintech. The aim of this research is to determine whether the financial performance (ROE) of digital banking companies listed on the Indonesia Stock Exchange for the period I quarter 2021 - II quarter 2023 is influenced by financial ratios.

The independent variables in this research are Loan to Deposit Ratio, Return on Assets, BOPO, Debt to Asset Ratio, and Debt to Equity Ratio, while the dependent variable is financial performance which is symbolized by Return On Equity. The type of research used is descriptive research with a quantitative approach. The data source used is secondary data obtained through the financial reports of 7 digital banking companies using the purposive sampling research method. This research uses a panel data regression analysis method

The research results show that the variables Loan to Deposit Ratio, Return on Assets, BOPO, Debt to Asset Ratio, and Debt to Equity Ratio simultaneously have a significant influence on the financial performance of digital banking. Meanwhile, partially, the Return on Asset variable has a positive influence on financial performance, the Loan to Deposit Ratio variable has a negative influence on financial performance, then the BOPO, Debt to Asset and Debt to Equity variables have no influence on digital banking financial performance. Keywords: digital banking, fintech, liquidity ratios, profitability ratios, solvency ratios, financial performance