ABSTRACT

This study was conducted to examine how the Effect of Financial Technology on the Profitability and Efficiency of SOE Banking Operations. This research method is quantitative in the form of a comparison that aims to measure the effect before and after the existence of FinTech on Banking Profitability and Efficiency of SOE Operations for the 2012-2019 period by comparing Return On Assets, Return On Equity, Net Interest Margin, and Operational Expenses on Operating Income.

This research was conducted by gathering information from the Financial Services Authority (OJK), and the population of SOE Banking financial statements which were then narrowed using purposive sampling so that the sample in this study was quarterly financial statements of Bank Mandiri, BNI, BTN and BRI for the 2012-2019 period.

Data analysis using the Paired Sample Test method. The results showed that there were significant differences in one of the four banks after the Financial Technology. In conclusion, Financial Technology can be a potential that has a positive effect on the profitability and efficiency of banking operations, one of which is state-owned banks namely Bank Mandiri, BNI, BTN and BRI because FinTech is an alternative solution to access financial industry services.

Keywords: Financial Technology, Profitability and BOPO