

## ABSTRACT

*The development of technology and information has led to the formation of the digital era in all aspects in Indonesia. Improvements in technology and information create a digital era in all aspects of the economy, one example is in the banking sector. The digital era is a challenge for banks to deal with technological developments and high consumer expectations. State-owned banking is a bank that applies digital innovation in running its business, of course there are innovations that will affect the financial performance of SOEs.*

*This study aims to determine the effect of the digital era on the financial performance of state-owned banks from 2013 to 2020. This study is a quantitative study with a descriptive approach with the digital era as the independent variable (X) and financial performance as the dependent variable (Y). Based on data from the Indonesian Banking Directorate, there are 4 companies in the banking sector, namely PT Bank Rakyat Indonesia (Persero) Tbk., PT Bank Negara Indonesia (Persero) Tbk., PT Bank Mandiri (Persero) Tbk., PT Bank Tabungan Negara (Persero) Tbk. and the sample in this study is the entire population in this study.*

*This study is a descriptive study that uses secondary data as a source of data derived from the financial statements and annual reports of state-owned banks taken in the 2013-2020 period with a sample selection technique, namely the saturated sample. The data is processed by using panel data regression analysis and classical assumption test. Then, the hypothesis was tested with the F test, T test, and the Coefficient of Determination (R<sup>2</sup>) using Eviews 12.*

*The results of data processing shows that there is an influence of the digital era on the level of NIM's financial performance in BUMN banking for the period 2013 to 2020.*

**Keywords:** *Digital Era, Financial Performance, BUMN Banking.*