

ABSTRACT

This study aims to analyze the effect of digital payment systems with variable nominal amounts of transactions using ATMs, EDC, Internet Banking, Covid-19 Pandemic conditions and interest rates on banking efficiency in Indonesia.

The population used is the Banking Sector in Indonesia, both the conventional banking sector and the Islamic banking sector operating in Indonesia. The research sample, namely the conventional banking sector for the 2016-2022 period, was obtained based on purposive sampling in determining the research sample. Data analysis using multiple linear regression analysis.

The results showed that the nominal amount of transactions using ATMs did not affect banking efficiency. The nominal amount of transactions using EDC has a positive and significant effect on banking efficiency. Internet Banking has a positive and significant effect on banking efficiency. The Covid-19 pandemic, which is a dummy variable, has a positive and significant effect on banking efficiency. Interest rates do not affect banking efficiency in the conventional banking sector for the 2016-2022 period. The results also show that together the variables ATM, EDC, Internet Banking, Covid 19 and interest rates affect the efficiency of the conventional banking sector for the 2016-2022 period.

Keywords: Internet Banking; EDC, ATM, Covid 19, Banking Efficiency; Interest rate