ABSTRACT

The aim of this study is to examine and analyze the impact of Financial Technology on Bank Performance and Bank Financial Stability. Bank performance is measured using financial ratios: return on assets (ROA), capital adequacy ratio (CAR), non-performing loans (NPL), and loan to deposits ratio (LDR), while bank financial stability is measured using the Z-Score.

The data used in this research are secondary data taken from the financial reports of banking companies listed on the Indonesia Stock Exchange during the period 2018 – 2023, comprising 18 companies with positive ROA. Hypothesis testing employs classical assumption tests and simple and multiple regression analysis.

Based on the statistical tests conducted in this study, it is found that Financial Technology significantly positively affects capital adequacy ratio (CAR) and significantly negatively affects loan to deposits ratio (LDR), while it does not significantly affect return on assets (ROA), non-performing loans (NPL), and bank financial stability. Conversely, bank performance measured by ROA significantly negatively affects financial stability, whereas performance measured by CAR significantly positively affects it; however, performance measured by NPL and LDR does not significantly affect bank financial stability.

Keywords: Financial Technology, Return on assets (ROA), Capital adequacy ratio (CAR), Non-performing loan (NPL), Loan to deposits ratio (LDR), Z-Score