ABSTRACT

This research investigates the effect of financial technology (fintech), particularly the implementation of Internet Banking and Automated Teller Machines (ATMs), on the performance of conventional banks in Indonesia, as assessed by their Return on Assets (ROA) from 2019 to 2023. The motivation for this study arises from the rapid fintech evolution that has accelerated digital transformation in banking, alongside a notable gap in literature addressing the post-pandemic influence of fintech on Indonesian banks' profitability.

Adopting a quantitative research method, this study utilizes secondary data derived from annual financial statements of banks listed on the Indonesia Stock Exchange (IDX) and statistical publications by Bank Indonesia. The research sample comprises 34 conventional banks over a span of five years, resulting in 170 observations in total. Panel data regression analysis is employed, complemented by the Chow, Hausman, and Lagrange Multiplier tests to determine the optimal model, along with classical assumption tests and hypothesis evaluations.

The study aims to assess how Internet Banking and ATM usage contribute to enhancing bank profitability as measured by ROA. The expected findings are anticipated to enrich the academic discourse on fintech and banking, while also offering strategic insights for bank management and regulators on maximizing fintech integration to improve efficiency and financial outcomes.

Keywords: *Fintech, Internet Banking, ATM, Return on Assets (ROA), Bank performance, Panel Data Regression*