BANKING FINANCIAL PERFORMANCE IN THE INDUSTRY FINANCIAL TECHNOLOGY ERA

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ABSTRACT

This study aims to analyze the financial performance of Indonesian banks based on the Capital Adequacy Ratio (CAR), Operating Costs per Operating Income (BOPO), Loan to Deposit Ratio (LDR), Net Interest Margin (NIM), Return on Assets (ROA), and Non-Performing Loans (NPL). The research method used is verification with a quantitative approach. Sources of data obtained from the bank's financial statements that have been published. The sample is grouped into state-owned banks, regional development banks, national private banks, and foreign banks. The sample is grouped into two parts, namely banking performance before and after the financial technology (fintech) regulatory family. The analysis technique used paired sample test and Wilcoxon signed-rank test. The results of the study stated that there were differences in CAR, LDR, NIM, ROA, and NPL after the ratification of fintech regulations. Meanwhile, only BOPO did not experience any difference with the issuance of fintech regulations.

Keywords: Fintech; banking performance; CAR; BOPO; LDR; NIM; ROA

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INTRODUCTION

In the last several years, the fintech industry in Indonesia has been growing significantly in a wide range of innovative financial services. “More than 150 fintech startups are found in Indonesia, a growth of 78% since 2015. As of May 2019, 249 fintech companies were founded in Indonesia” (Cekindo Editorial Team, 2022). The industry is regulated by the Indonesian government. Fintech companies had been expanding in various areas of the financial system. The percentage distribution of the Indonesian fintech ecosystem is “Lending 50%,

Payment 23%, Blockchain/Crypto 8%, Personal Finance 7%, Insurtech 5%, Crowdfunding 3%, Comparison 2%, and POS Services 2%" (Indonesia Fintech Report, 2020). The study aims to analyze the impact of the fintech industry on the performance of Indonesian banks.

The bank's financial performance is an illustration of every economic result that a banking company can achieve in a certain period. Measurement of financial performance is carried out by using an analysis of financial data reflected in the financial statements (Suryanto, 2019b). Banks with a good financial performance show that their operating activities are running effectively and efficiently. A good level of bank performance increases public confidence in using financial services from the bank (Akhgari et al., 2018). The bank's financial performance is a reflection of the soundness of the bank. Therefore, it is very important for a bank to maintain a good level of performance to gain more trust from the public (Haryati & Kristijadi, 2014); (Suryanto, 2015).

The banking industry is currently feeling anxious about the presence of the financial technology (fintech) industry. Fintech is one of the disruptive innovations that change business models to be more effective and efficient and can disrupt old market players (Anagnostopoulos, 2018). Disruptive innovations usually take up markets that are not worked on by market authorities but are able to redefine existing systems or markets that have existed before (Tripalupi, 2019). The emergence of disruptive innovations, if not anticipated properly by the business world, can lead to downfall (Hadad, 2017). Disruptive Innovation in the financial services industry has disrupted the global financial services industry landscape, starting from its industrial structure and intermediation technology to its marketing model to consumers. The fintech industry has emerged by offering practicality, ease of access, convenience, and better effectiveness and efficiency in conducting transactions (Kennedy & Harefa, 2018). Therefore, the fintech industry can penetrate financially remote areas (Kurniati & Suryanto, 2022).

Banks have not optimally carried out financial penetration due to complicated administrative processes and strict regulations (Vives, 2019). The ease of financial penetration carried out by the fintech industry is considered a competitor to the banking sector (Budiarti et al., 2021). The survey results found that around 83 percent of traditional financial institutions are worried that their business will be usurped by fintech (PricewaterhouseCoopers, 2016). In fact, according to other studies, it is concluded that the presence of fintech can damage the banking sector, and there is a possibility that bank performance can be disrupted (Kennedy & Harefa, 2018). This statement is based on the fact that the community supports fintech for its convenience in dealing with financial transactions compared to the rigid and convoluted banking administrative process (Suryanto et al., 2020). This has implications for the public's interest in using banking credit services is decreasing.

Many studies on the impact of fintech on banking financial performance have been carried out with different focuses and loci. Customer interaction with mobile banking can improve company performance (Vivek et al., 2012),(Hamidi & Safareeyeh, 2019). The use of digital technology can increase revenue growth and profit margins (Weill & Woerner, 2015). Similar research states that the use of technology in banking services can improve performance (Sarfaraz, 2017). Other researchers focus more on the long-term effect of digital innovation adoption on bank performance. The results show that SWIFT technology positively and significantly impacts banking profitability (Scott et al., 2017). The results of another study state that mobile banking, internet banking, ATM, and electronic payment systems have greatly impacted the entire Indian banking system (Gupta et al., 2018). Different studies conclude that product innovation has a negative impact on banking performance (Akhisar et al., 2015). The use of digital technology increases productivity costs (Cho & Chen, 2021). Even the growth of fintech has a negative effect on stock performance (Hoffni, 2021).

Based on previous research, there are different research results from digital technology to banking performance. This study examines differences in banking financial performance after ratifying the fintech industry regulation in Indonesia. This study uses a quantitative approach by using a two-sample test.

LITERATUR REVIEW

Financial Performance

The company's financial performance is a description of every result that the company can achieve in a certain period through the company's activities (Siew et al., 2013). The company's financial performance is more about evaluating the company's financial statements at a certain time and period. The company's financial performance is one of the important indicators that is often used for decision-making by stakeholders (Suryanto, 2019a). Assessment of financial performance is one way that can be used by management in order to fulfill obligations to stakeholders. The stakeholders use the company's financial performance through the financial statements issued by the company.

Based on the company's financial performance report, it can be seen the potential price of the company's stock (Bidhari et al., 2013). The stock price has the potential to rise if the intrinsic value of the stock is greater than the market price of the company's shares. Investors will usually be attracted to company shares whose intrinsic value exceeds the stock market price (Suryanto, 2016). Therefore, the company always strives for the company's financial performance to always increase.

The measurement of a company's financial performance, in principle, is to assess the results obtained by the company from the aspect of effectiveness and efficiency. To find out the company's financial performance, it is generally necessary to analyze the financial statements. Analysis of financial statements can be done by (1) comparing the company's performance with other companies in the same industry and (2) evaluating the tendency of the company's financial position over time (Welc, 2022).

The purpose of measuring financial performance is to improve its operational activities to compete with other companies (Zairi, 2012). In addition, the company's financial performance is often used to measure the company's health (Daryanto & Samidi, 2018). More specifically, the objectives of measuring financial performance in banking companies include: (1) To determine the success of bank financial management, especially liquidity conditions, capital adequacy, and profitability achieved in the current year and the previous year; (2) To determine the bank's ability to utilize all assets owned in generating profits efficiently; and (3) To increase the role of banks as intermediary institutions between parties who have excess funds and parties who lack funds (Adam, 2014).

Meanwhile, the benefits of performance measurement include: (1) Contributing to the management in achieving the company's overall goals; (2) Can be used to measure an achievement to be achieved by an organization or company within a certain period that reflects the level of success of the implementation of activities; (3) Provide guidance in decision making and to evaluate management performance; and (4) It can be used as a basis for determining investment policies in order to increase company productivity (Micheli & Manzoni, 2010).

Company Financial Performance Measure

The company's financial performance, in general, can be seen from two measures, namely: market-based measure and accounting-based measure (Conyon & He, 2014). The market-based measure is a measure of financial performance based on stock performance. In comparison, the accounting-based step measures financial performance based on the company's internal financial condition. However, the company's financial performance measurement often combines market-based and accounting-based measures.

Several proxies are often used in measuring the company's financial performance. Financial ratios such as ROA, ROE, NPM, Du Pont System, and Altman are proxies that are widely used in measuring company financial performance (Ramana, 2005); (Heikal et al., 2014); (Chang et al., 2014); (Mardiana & Purnamasari, 2018); (Mushafiq et al., 2021). However, measuring the company's financial performance using financial ratios has many weaknesses. One of the drawbacks of measuring financial performance with financial ratios is that reported earnings do not include the cost of the capital element used. Therefore, subsequent developments in measuring financial performance use the concept of Economic Value Added (EVA) (Kang et al., 2002); (Sabol & Sverer, 2017).

Another proxy used to measure a company's financial performance is Market Value Added (MVA). This concept was developed by Stern, Stewart & Co., who believed and popularized MVA as the only most appropriate measuring

tool for the success or failure of a company in creating wealth for owners (Ramana, 2005); (Madhavi & Prasad, 2015). Another proxy for measuring the company's financial performance uses Market Value Equity (MVE) (Gamayuni, 2015). In addition, other proxies are often used to measure the company's financial performance, namely Tobin's Q. Tobin's Q is an indicator to measure the company's financial performance, especially regarding company value (Mysaka & Derun, 2021).

The banking industry has a more specific financial performance proxy. One of the most widely used measures of banking performance is Capital, Asset Quality, Management, Earnings, and Liquidity (CAMEL) (Rostami, 2015). The CAMEL framework has long been used as an instrument of bank supervision, and some researchers have found that CAMEL ratings are related to bank performance and general soundness (Chiaramonte & Casu, 2017). Another proxy that is often used to measure banking performance is by using the Risk Profile, Good Corporate Governance, Earnings, Capital (RGEC). Even for Islamic banking, there is a measurement to see its financial performance by proxy Sharia Conformity and Profitability (SCnP) (Kuppusamy et al., 2010).

Impact of Financial Technology on Banking Performance

Financial technology, better known as financial technology (fintech), is a financial industry that combines information technology with financial services (Micu & Micu, 2016). Fintech can also be described as a technology-based financial solution that includes all services and various products offered conventionally by banks (Rumondang et al., 2019).

The fintech industry is increasingly becoming an important part of the structure of the financial services ecosystem. This industry has succeeded in shifting a previously existing banking market by offering practicality, ease of access, convenience, and better effectiveness and efficiency in conducting transactions (Tripalupi, 2019). Access to financial services through fintech is able to reach customers who live in rural areas that the banking industry has not reached. Fintech not only builds services that are easier to reach but can also build cheaper services by reducing costs in providing services that banks have done. Customers only need to access fintech services using a smartphone with a cellular (Suryanto et al., 2020).

Singh et al. (2002) and Tidd & Bessant (2020) have predicted that technological advances will destroy the current model used to develop and deliver banking services. The impact of technological advances on the banking sector is very evident in the nature of financial products and services. Financial services that have been a component of income for the banking industry have now begun to be taken over by fintech. This clearly has a significant impact on the growth of banking performance.

METHOD

This research is a type of quantitative research using secondary data sourced from financial reports on the OJK official website. The number of samples obtained is 86 Conventional Commercial Banks in Indonesia, which are divided into four bank groups based on ownership, including four State-Owned Banks, 24 Regional Development Banks, 50 National Private Commercial Banks, and eight Foreign Banks. Data analysis technique using paired sample t-test and Wilcoxon signed-rank test to find out the difference in the average financial performance of banks before the ratification of fintech regulations (2014-2016) and after the ratification of fintech regulations (2017-2019). The financial performance tested in this study includes the Capital Adequacy Ratio (CAR), Operating Costs per Operating Income (BOPO), Loan to Deposit Ratio (LDR), Net Interest Margin (NIM), Return on Assets (ROA), and Non-Performing Loans (NPL). The results of the different tests will be analyzed to prove whether fintech disrupts banking performance in Indonesia.

RESULTS AND DISCUSSION

Banking performance in this study uses CAR, BOPO, LDR, NIM ROA, and NPL proxies. Each financial performance indicator is obtained from the annual report, with the selected time dimension being three years before and after the ratification of the fintech regulation. The number of banks in Indonesia based on data released by the Central Statistics Agency in 2014–2019 is 86 conventional banks. The conventional bank groupings include State Owned Banks, Regional Development Banks, National Private

Commercial Banks, and Foreign Banks. The data for the data banking group is shown in Table 1.

Table 1. Banking Groups in Indonesia

No	Bank Group	Percentage
1	State-Owned Banks	4.65%
2	Regional Development Banks	27.91%
3	National Private Commercial Banks	58.14%
4	Foreign Banks	9.30%

Source: (BPS, 2022)

Based on Table 1, the banking group is dominated by the National Private Commercial Bank group, with the percentage reaching 58.14%. Meanwhile, the smallest banking group is the Persero Bank group, only 4.65%.

Financial performance testing is divided into four groups, namely the State-Owned Banks, Regional Development Banks, National Private Commercial Banks, and Foreign Banks. The following are the results of testing the four banking groups.

a. Financial Performance of the Group of State-Owned Banks

The state-owned bank group is a collection of four state-owned banks. The four banks include Bank BNI, Bank Mandiri, Bank BTN and Bank BRI. Table 2 shows the results of the calculation of the difference in the financial performance of the state-owned bank group.

Table 2. Test of Differences in Financial Performance of the Group of State-Owned Banks

CAR	three years before fintech regulation	18.4933	0.65471	0.1441
	three years after fintech regulation	20.1508	0.68352	
BOPO	three years before fintech regulation	74.57	1.53719	1.0000
	three years after fintech regulation	74.9475	1.78321	
LDR	three years before fintech regulation	92.3933	2.98421	0.4652
	three years after fintech regulation	92.9058	3.25328	
NIM	three years before fintech regulation	6.2833	0.71023	0.0083
	three years after fintech regulation	5.3742	0.6805	
ROA	three years before fintech regulation	2.5508	0.13421	0.1441
	three years after fintech regulation	2.5772	0.11451	
NPL	three years before fintech regulation	2.6733	0.15722	0.2733
	three years after fintech regulation	2.6933	0.12014	

Source: Data processed by the author, 2021

Based on Table 2, it can be seen that the results of testing the financial performance of the group of Persero Banks show that only NIMs have differences in financial performance before and after the issuance of fintech regulations. Meanwhile, CAR, BOPO, LDR, ROA, and NPL have no differences in financial performance before and after the issuance of fintech regulations. Although the average CAR, BOPO, LDR, ROA, and NPL have increased, the increase is not significant.

b. Regional Development Bank Group Financial Performance

The Regional Development Bank Group is a collection of banks whose owners are the governments of each region. This bank group consists of 24 banks. The results of testing bank financial performance before and after fintech regulations can be seen in Table 3.

Table 3. Test of Differences in Financial Performance of Regional Development Bank Groups

\		Mean	Std.Err	Prob
CAR	three years before fintech regulation	20.8797	0.76819	0.0057
	three years after fintech regulation	22.0158	0.63376	
BOPO	three years before fintech regulation	75.996	1.39761	0.2463
	three years after fintech regulation	77.0824	1.18751	
LDR	three years before fintech regulation	94.3962	1.45598	0.0283
	three years after fintech regulation	90.1989	2.40603	
NIM	three years before fintech regulation	7.7606	0.2361	0
	three years after fintech regulation	6.9109	0.20712	
ROA	three years before fintech regulation	2.83556	0.16187	0.0036
	three years after fintech regulation	2.49973	0.13974	
NPL	three years before fintech regulation	3.6532	0.1328	0.2776
	three years after fintech regulation	3.7342	0.1165	

Source: Data processed by the author, 2021

Table 3 shows the results of the different tests of the financial performance of the regional development bank groups. Based on the test results, it shows that CAR, LDR, NIM, and ROA show that there are differences between before and after the issuance of fintech regulations. Meanwhile, BOPO and NPL performance are not affected even though there are fintech regulations.

c. Financial Performance of National Private Bank Group

The national private bank group is a group of banks whose owners are private individuals or institutions. This bank group consists of 50 banks. The results of testing financial performance before and after fintech regulations can be seen in Table 4.

Table 4. Test of Differences in Financial Performance of National Private Bank Groups

		Mean	Std.Err	Prob
CAR	three years before fintech regulation	20.8797	0.76819	0.0057
	three years after fintech regulation	22.0158	0.63376	
BOPO	three years before fintech regulation	85.895	2.6521	0.0941
	three years after fintech regulation	84.7649	2.0954	
LDR	three years before fintech regulation	82.9833	1.9702	0.3224
	three years after fintech regulation	81.0312	1.8532	
NIM	three years before fintech regulation	4.3458	0.1742	0.1123
	three years after fintech regulation	4.0337	0.6482	
ROA	three years before fintech regulation	1.4623	0.0321	0.0659
	three years after fintech regulation	1.3452	0.0758	
NPL	three years before fintech regulation	1.5454	0.13234	0.0346
	three years after fintech regulation	1.8803	0.17723	

Table 4 shows the results of the different tests of the financial performance of the national private bank group. Based on the test results, it can be seen that only CAR and NPL show differences before and after the issuance of fintech regulations. Meanwhile, BOPO, LDR, NIM, and ROA are not affected by fintech regulations.

d. Foreign Bank Group Financial Performance

A foreign bank group is a group of banks whose owners are foreign parties. This bank group consists of eight banks. The results of testing the financial performance of the foreign tire group can be seen in Table 5.

Table 5. Different Tests of Foreign Bank Group Financial Performance

		Mean	Std.Err	Prob
CAR	three years before fintech regulation	44.7642	7.39796	0.5436
	three years after fintech regulation	43.9467	7.34912	
BOPO	three years before fintech regulation	76.5825	5.9522	0.9817
	three years after fintech regulation	76.5083	7.68387	
LDR	three years before fintech regulation	150.9840	42.3758	0.2904
	three years after fintech regulation	129.2020	28.4105	
NIM	three years before fintech regulation	3.6462	0.45762	0.1497
	three years after fintech regulation	4.0375	0.37109	
ROA	three years before fintech regulation	2.79875	0.42911	0.5454
	three years after fintech regulation	2.53333	0.44303	
NPL	three years before fintech regulation	0.5500	0.17983	0.2666
	three years after fintech regulation	0.36875	0.12056	

Source: Data processed by the author, 2021

Table 5 shows the results of the different test results for the financial performance of the foreign bank group. Fintech regulations did not cause changes in CAR, BOPO, LDR, NIM, ROA, and NPL in the foreign bank group. Financial performance before and after the issuance of fintech regulations did not show any significant differences.

DISCUSSION

Financial performance indicators that experience differences due to the impact of fintech occur in CAR, LDR, NIM, ROA, and NPL. CAR experienced differences before and after fintech regulations in regional development bank groups and national private banks. LDR differences occur only in the regional development bank group. NIM experienced differences in the group of state-owned banks and regional development banks. ROA experienced differences only in the regional development bank group, and NPL differences occurred in the national private bank group. Meanwhile, all banking groups absolutely have no significant difference in BOPO. This means that BOPO is not affected by the presence of the fintech industry in all bank groups.

Banks' ability to provide capital used to overcome the possible risk of loss in 2014-2019 is still maintained. This result is different from Kennedy & Harefa (2018) research, which states that the presence of the fintech industry will disrupt banking performance. Banking performance is seen from the condition of capital before there is a fintech regulation and after there is a good fintech regulation with an average CAR far above the Minimum Capital Adequacy Requirement. The average CAR before the issuance of fintech regulations in 2014-2016 was 26.25%. In fact, after the issuance of fintech regulations, the average CAR increased to 27.03% in 2017-2019. This shows the adequate ability of banks to absorb risk supported by profits that continue to grow, and the quality of bank credit is still maintained. This study refutes the

concerns of various parties that traditional financial institutions will be usurped by the fintech industry market (Pricewaterhouse Coopers (PwC), 2016).

The banking intermediation function has decreased following the fintech regulation. The average LDR before fintech regulation in 2014-2016 was 105.19%, down to 98.33% in 2017-2019 after there was fintech regulation. The decline in LDR after the issuance of fintech regulations shows that fintech companies in the peer-to-peer sector and crowdfunding are starting to become an option for debtors in meeting their sources of capital. The results of this study are in accordance with the research conducted by Singh et al. (2002) and Tidd & Bessant (2020), which state that technological advances can affect the service model of the financial industry. Consumers prefer types of services that offer conveniences, such as those offered by the fintech industry (Suryanto et al., 2020); (Kurniati & Suryanto, 2022).

A decrease did not follow the decline that occurred in the LDR in credit risk. Credit risk actually increased slightly from the previous 2.11% in 2014-2016 to 2.17% in 2017-2019. Credit risk after the issuance of fintech regulations has increased. The increase in credit risk is due to the fact that banks have slightly relaxed their credit analysis of prospective debtors. These results are in accordance with the statements of Brown & Mole (2014), Tang et al (2015), and Suryanto (2015), which state that credit risk can occur as a result of the lack of thoroughness of the credit analysis section in examining documents and in calculating financial ratios. The banking industry realizes that the presence of the fintech industry will reduce its credit market share. Apart from the fact that the fintech industry offers convenience in the application process, the fintech industry also does not take too long in the disbursement process. Therefore, the banking sector did some relaxation in analyzing prospective debtors, which ultimately had an impact on their credit risk. credit analysis is less thorough both in checking the truth and authenticity

Meanwhile, terms of profitability, it is shown by the BOPO, NIM, and ROA variables. BOPO is used to measure the ability of bank management to control operational costs against operating income. Banks that are categorized as healthy have a maximum BOPO ratio between 94-96 percent. The average BOPO of banking before the fintech regulation was 78.26% and experienced a slight increase to 78.33% after the issuance of the fintech regulation. The greater the BOPO value indicates inefficiency in banking operations (Suryanto, 2015). Although there is an increase in the BOPO value, the growth is considered insignificant even though there are fintech regulations. Even though there is a slight increase in BOPO, banks must continue to strive to increase sources of operating income to maintain efficiency and improve bank performance (Sari & Endri, 2019); (Ichsan et al., 2021).

The NIM ratio measures bank management's ability to manage their productive assets to generate net interest income. The average bank NIM ratio before fintech regulation was 5.54% decreased to 5.09% after fintech regulation was introduced. ROA measures the performance of the company's management in obtaining overall profit. The higher the value of a ROA in a bank, the better and more effective the bank is in using assets (Sari & Endri, 2019). The average ROA of banking before the fintech regulation was 2.41%, which decreased to 2.24% after the fintech industry was introduced. A declining ROA shows that the profit generated by the bank from the use of all assets owned by the bank has decreased (Tho'in, 2019).

The decline in NIM and ROA showed that income from the use of productive bank assets, namely assets redistributed in the form of credit, securities, bonds, interbank placements, and other assets, decreased. Productive assets that have significantly decreased can be seen from the decline in loan interest income after the fintech regulation. Banking loan interest rates are lowered so that banks are able to compete with credit from peer-to-peer fintech and crowdfunding that are able to provide better services (Stulz, 2019); (Suryanto et al., 2020).

The decline in banking profitability is the impact of the emergence of the fintech industry. As we know, one of the goals of the fintech industry is to increase public access and inclusiveness to financial institutions (Noor et al., 2020); (Candraningrat et al., 2021). So far, this function has only been carried out by banks. So it is very logical that the presence of the fintech industry is able to affect banking performance, especially in the ratio of NIM and ROA. Other

profitability ratios such as BOPO could be corrected, but the changes were insignificant.

So far, fintech is considered a disruptive thing to the banking business, like the emergence of technology in general. In comparison, fintech and banking have basic differences between the two, including interest rates, loan repayment tenor periods, and the size of the loan (Kholis, 2018). Peer-to-peer lending services generally offer loans without collateral and target the riskier segments, so the interest rates offered will be higher. Therefore, segments that are already bankable will generally prefer loans from banks. Peer-to-peer lending services in Indonesia usually apply a relatively short tenor of around 1-24 months because a long tenor will reduce the interest of lenders and increase the risk of unsecured loans. On the other hand, banks tend to offer long tenors to optimize net interest margins. Peer-to-peer lending services are almost impossible to provide loans with very large amounts of up to tens or hundreds of billions. On the other hand, banks are able to provide high-value loans quickly.

Based on these differences and taking into account their respective advantages, the collaboration between banking and fintech is necessary for Indonesia's financial services industry. Fintech and banking can be two things that complement each other so that they are able to increase financial inclusion for the community to strengthen the national economy (Ozili, 2018).

The emergence of fintech in Indonesia is a disruptive innovation that can disrupt old market players. Fintech has the same role as banking, namely as a provider of financial services, and the products and services produced by fintech themselves can provide more competitive options (Romanova & Kudinska, 2016). Banks are bound by strict rules and have limitations in serving the community in certain areas, making people need alternative funding other than traditional banking (Kennedy, 2017). The community needs financing alternatives that are more democratic and transparent, so fintech is the solution. Fintech is a solution because the cost of financial services is efficient and can reach the wider community (Hadad, 2017). Fintech took this opportunity to compete with banks in overcoming the unbanked people. However, the presence of fintech still takes a long time to replace the role of banking, so it can be said that banking conditions are still safe.

CONCLUSION

According to each bank group, banking performance as measured by CAR, LDR, NIM, ROA, and NPL experienced differences before and after the presence of the fintech industry. Only BOPO did not experience any difference with the issuance of fintech regulations. More specifically, differences in performance can be identified in each banking group. In the performance of state-owned banks, the difference only occurs in the NIM. Meanwhile, there are no significant differences for CAR, BOPO, LDR, ROA, and NPL. The performance of regional development banks (BPD) showed significant differences in CAR, LDR, NIM, and ROA. Meanwhile, there was no significant difference in BOPO. There are differences in the performance of national private banks in CAR and NPL. Meanwhile, there was no significant difference between BOPO, LDR, NIM, and ROA. Meanwhile, the performance of foreign banks is not at all different from the presence of the fintech industry.

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