

# Effectiveness Analysis of Fintech on Financial Performance and Banking Sustainability

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**Abstract.** The development of *Financial Technology (Fintech)* in Indonesia is quite high, especially in banking. Ease of access and service, speed of transaction processing, simple requirements that can be fulfilled at any time and from any location, and the ability to reduce operational costs are key considerations for banks to adopt it. But behind these advantages, the use of *Fintech raises concerns* because it is easily hacked and can be misused for fraudulent activities. This research aims to explore and understand the effectiveness of *Fintech* on Financial Performance and Banking Sustainability using the *Unified Theory of Acceptance and Use of Technology (UTAUT)*. The research used primary data collected from eight informants: one policymaker, one implementer, and six users. Data collection techniques are observation and in-depth interviews. Data analysis includes data reduction, data presentation, and conclusion. The research results indicated that implementing *Fintech services to improve* financial performance is considered effective in terms of performance expectations, business expectations, and social influence, but not yet effective in facilitating conditions. The *Fintech* service implementation to support service sustainability is considered effective in terms of performance expectations, social influence, and facilitating conditions, but not yet effective in terms of business expectations.

**Keywords:** Financial Technology (Fintech), Sustainability, Financial Performance, Banking.

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## Introduction

*Fintech* (*Financial Technology*) has become one of the fastest-growing sectors and has had a significant impact on the business world. The use of *Fintech* by banks throughout the world continues to increase along with technological developments and increasingly high consumer needs. Some of the latest trends and developments in the usage of *Fintech* by banks around the world as summarized in information from Bank Indonesia (BI) and the Financial Services Authority (OJK), namely: the development of blockchain and cryptocurrency technology which enables faster, safer and more efficient financial transactions; use of big data and data analysis to improve decision making and provide more personalized service to consumers; development of mobile banking applications that are more sophisticated and easy to use as well as integration with voice recognition and chatbot technology, use artificial intelligence and machine learning to improve operational efficiency and provide more personalized service to consumers; development of cloud computing-based financial services that enable banks to reduce infrastructure costs and increase flexibility in providing financial services.

*Fintech* provides a positive impact. These positive impacts include: being able to increase operational efficiency, increase the accessibility of financial services for the public, increase speed and ease in carrying out financial transactions, and increase innovation and competition in the banking industry (Kristianti & Tulenan, 2021); can change people's behavior in collecting, saving and using money in transactions (Purwanto et al., 2022); there has been an increase in the number of conventional commercial bank loans in Indonesia (Saputra et al., 2022); can survive in the intense competition in the banking sector (Kaddumi et al., 2023); can speed up the transaction process, the requirements are easy, the transaction chain is simple, without time and place limitations, able to reduce operational and capital costs (Lestari, 2023). Overall, *Fintech* has a positive impact on its users, however, *Fintech* also has a negative impact, including the response and reaction of the Islamic finance industry to its emergence *Fintech* and The potential impact seems very slow compared to the conventional industry (Ali et al., 2019) and is also prone to fraud (Lestari, 2023). Overall, the negative impact of *Fintech* does not affect the interests of its users.

The development of *Fintech* (*Financial*

*Technology*) in Indonesia is happening very rapidly. This shows that the acceleration of development and digital transformation in Indonesia is good. According to the Financial Services Authority (OJK), users of *Fintech* Indonesia experienced significant growth from 7% in 2007 to 20% in 2011 and continued to increase to reach 36% in 2014. In 2017, the number of users reached 78%, with around 135-140 companies' *Fintech* operations and total transaction value estimated at IDR 202.77 trillion. In 2020, around 33% of companies in *Fintech* in Indonesia recorded transactions of more than IDR 80 billion (Katadata, 2022). In addition, the total transaction value of *Fintech* in Indonesia during that year reached more than IDR 4.6 trillion. Thus, the number of users of *Fintech* every year continues to increase.

Based on observations at the bank, there is one type of service implementation, *Fintech*, namely Mobile-Based Financial Services. Service implementation *Fintech* The offer is designed to meet customer needs in making transactions quickly, easily, safely, and without having to visit a physical bank office. *Fintech* has a positive impact on bank financial performance (Kaddumi et al., 2023), (Al Shari & Lokhande, 2023), and (Aloulou et al., 2023a).

Research results show that *Fintech* has a significant effect on financial performance in banking sector companies (Supriyadi et al., 2023). *Fintech*, by utilizing modern technology, can help increase operational efficiency in the provision of financial services, reduce administrative costs, and speed up transaction processes. While operational efficiency is improved, *Fintech* can contribute to better financial performance by reducing costs and increasing profitability (Kristianti & Tulenan, 2021).

*Fintech* (*Financial Technology*) is concerned with financial performance. Financial performance is a description of the company's financial condition in a certain period, both regarding the aspects of fundraising and fund distribution, which is usually measured by indicators of capital adequacy, liquidity, and profitability (Rambe, 2020). Financial performance assessment is one of the important factors in helping companies measure and manage how effectively they achieve the goals that have been set. Financial performance assessment is important (Hastiwi et al., 2022) because it provides a clear picture of the company's financial situation, identifies the number of assets owned by the company, assists in measuring the amount of debt, assists in understanding the company's profitability and losses, and provides insight into the company's prospects and future.

Based on the results of the research, it is shown that Fintech has a significant effect on the financial performance of companies in the banking sector (Supriyadi et al., 2023); (Kaddumi et al., 2023); (Al-shari & Lokhande, 2023); and (Aloulou et al., 2023a); banking (Kristianti & Tulenan, 2021). In addition, several factors can affect non-financial performance that has been carried out by previous research, including the existence of cyber risks and operational risks to banking performance (Al-Shari & Lokhande, 2023); work ethics have a significant effect on managerial performance (Aira, 2016); leadership, work discipline, and competence have a positive and significant effect on employee performance (Suryadi et al., 2023); the implementation of sharia good governance reflects the performance of sharia banking (Irfan & Nofianti, 2014); emotional intelligence and workability influence performance (Sociadey, 2023); managerial ownership, intellectual capital, audit committee, and green accounting have a positive and significant effect on financial performance (Novius et al., 2023); firm size is not able to influence sharia governance with performance (Rahmi et al., 2018). Overall, the use of Fintech improved the bank's performance. Therefore, the assessment of financial performance with modern Fintech technology is important for research.

Financial performance effectiveness refers to a company's ability to achieve its financial goals, such as increasing profits, maximizing shareholder value, and maintaining financial stability. To achieve effective financial performance, companies need to implement appropriate strategies and policies and manage their resources efficiently.

Usage of *Fintech (Financial Technology)* related to the bank's future sustainability. *Fintech* in financial services can help reduce paper and energy use, resulting in more efficient and environmentally friendly processes (JMC, 2023). *Fintech* can contribute to sustainable practices by reducing negative impacts on the environment, in line with banking commitments to green practices and social responsibility. *Fintech* is also capable of providing financial solutions that support goal continuity (Pritama, 2023). This includes sustainable investment, financing of environmentally friendly projects, as well as product development finance that considers factors Environmental, Social, and Governance (ESG). Overall, *Fintech* has a significant role in supporting sustainable banking in the future.

Sustainability is one of the main challenges faced by banks and their leaders (Nestor, 2023). To take

proactive steps in managing sustainability issues, the World Bank has restructured existing governance and organizations, as well as developed new structures that are in line with sustainability demands. By Financial Services Authority Regulation (POJK) number 51/POJK.03/2017 concerning the implementation of sustainable finance, banks must gradually adopt and internalize 8 (eight) principles of sustainable finance into their vision, mission, strategic plans, and work programs. The implication is that banks no longer carry out business strategies and operations in a Business-as-usual (BAU) manner, but are carried out as part of the implementation of sustainable finance. Thus, it is necessary to interpret the practical meaning of the 8 (eight) Principles of sustainable finance are designed to make it easier for banks to adopt and internalize these principles. The practical meaning of the principles of sustainable finance contained in the Financial Services Authority Regulation (POJK) on sustainable finance is as follows: principles of responsible investment; principles of sustainable business strategy and practices; principles of social and environmental risk management; governance principles; informative communication principles; inclusive principle; principles of priority superior sector development; principles of coordination and collaboration.

Sustainability is becoming an increasingly important issue for companies around the world and has been considered an important and timely topic, becoming a major concern internationally over the last decade, a major competitive factor

for many companies, and a concept that is important for survival in a competitive environment (Nofianti et al., 2016). Companies that adopt sustainable practices can achieve better product quality, high market share, and increased profits (Nofianti et al., 2016). This is closely related to the company's strategy to remain sustainable in the future.

Sustainability effectiveness refers to a company's ability to achieve its sustainability goals, such as reducing environmental impacts, increasing social responsibility, and promoting good corporate governance. To achieve sustainability effectiveness, companies need to integrate sustainability principles into their strategy and operations and measure and monitor progress.

In the ever-evolving digital age, *Fintech (Financial Technology)* has changed the way financial services are delivered, creating new opportunities and challenges. Therefore, this research is important in the banking context as it will provide in-depth insight into

the extent to which the implementation of *Fintech* will contribute effectively to the financial performance and sustainability of these services in the future. The use of mobile banking services is one of the strategic steps in increasing customer comfort and accessibility to financial services. With this mobile banking application, customers can easily access accounts, transfer funds, and carry out various financial transactions anytime and anywhere without having to come to the bank or ATM.

However, the obstacles that have emerged in the field highlight challenges related to some customers' unfamiliarity with technology. Some customers are not yet skilled in using the mobile banking application, so the bank makes further efforts in terms of digital education. These efforts include digital literacy programs designed to guide customers in understanding application features, securing online transactions, and taking full advantage of the potential of bank services. Thus, digital education efforts are a crucial step to ensure innovation in *Fintech* (*Financial Technology*). This can provide maximum benefits to all levels of customers, including those who are not yet fully skilled in using technology. The results of this research will help optimize decision-making at the bank, the use of service implementation *Fintech*, increase efficiency, and face competition in an increasingly competitive financial market. Apart from that, the findings of this research can also contribute to academic knowledge in the field of banking and *Fintech*, as well as providing guidance for the banking industry and other financial institutions.

One of the interesting things in this research is that the research focuses on the effectiveness of service implementation in *Fintech* (*Financial Technology*) and its impact on financial performance and the sustainability of these services in the future. This is an underexplored area of research, and *Fintech* banking is an interesting research focus. Therefore, the problem formulation to be studied is the effectiveness of service implementation *Fintech* (*Financial Technology*) in improving financial performance, and the effectiveness of service implementation *Fintech* (*Financial Technology*) in supporting the sustainability of these services in the future.

## Research Methods

This research was conducted on one of the regional banks in West Sumatra Province from January to May 2024. This study uses the Unified Theory of Acceptance and Use of **Technology** (UTAUT) model

(Venkatesh et al., 2003) to explore and gain an understanding of the implementation of *Fintech* (*Financial Technology*) from the side of bank policymakers in adopting *Fintech* (*Financial Technology*), implementers and users in the implementation of *Fintech* (*Financial Technology*). The study used primary data by interviewing 8 informants, consisting of 1 policymaker, 1 implementer, and 6 users. Data triangulation is used to test internal validity (credibility) and reliability (dependability). Triangulation data consists of answers from fintech adoption policy makers (Leader of Fund & Service Development Group of bank), answers from fintech adoption implementers (Fund and Treasury Division Staff of bank), and answers from fintech users (customers of Bank).

The Unified Theory of Acceptance and Use of Technology (UTAUT) model has four main constructs explored in this research, including performance expectations, business expectations, social influence, and facilitating conditions. After the data is collected, the analysis process continues with the data, starting from data reduction, data presentation, and conclusion drawing.

## Results and Discussion

In this research, researchers gathered information from 8 informants. Informant A is an adoption policy maker in *Fintech* (*Financial Technology*). According him, *Fintech* (*Financial Technology*) is currently very much needed in the banking world where business competition in the banking world has shifted towards providing technology to facilitate customer transactions.

Informant B is the implementer of *Fintech* (*Financial Technology*). He said Currently, the use and implementation of *Fintech* (*Financial Technology*) is growing rapidly and is greatly needed by customers.

While informants C, D, E, F, G, and H are implementation user informants of *Fintech* (*Financial Technology*). They said that making transactions very easy, safe, and convenient because fintech has a high security system, so it is not easily tampered with by irresponsible parties.

Effectiveness of Service Implementation *Fintech* (*Financial Technology*) in Improving Financial Performance

### Performance Expectations

From the informants interviewed, adoption information can be obtained, implemented, and used by *Fintech (Financial Technology)*. According to informant A, *Fintech (Financial Technology)* is needed in the banking world at this time, as business competition has led to the provision of technology to facilitate customer transactions. According to informant B, the current implementation and use of *Fintech (Financial Technology)* is very developed and is needed by customers. According to informant C, *Fintech (Financial Technology)* is very helpful in carrying out transactions and provides services that are easy to access without needing to go to a physical bank. According to informant D, it is very helpful in carrying out transactions.

Meanwhile, according to informant E, the usage of *Fintech (Financial Technology)* is very useful in carrying out transactions and has made me understand more about the use of technology in transactions. I find this application service easy to use because the menus available make it easy for me to carry out various banking transactions via smartphone quickly and practically. Features such as cash withdrawals, balance checking, fund transfers, bill payments, and complete transaction history enhance my transaction experience. According to informant F, the usage of *Fintech (Financial Technology)* makes it easier for me to do various banking transactions anytime and anywhere without having to come to the bank's physical office, and is the embodiment of technological progress, which provides convenience and comfort in managing finances. According to informant G, it is very helpful in carrying out transactions. According to informant H, the usage of *Fintech (Financial Technology)* makes it easier for me to make transactions and also feel safer and more comfortable when making transactions because it has a high-security system that is not easy to tamper with by irresponsible parties.

From the informants interviewed, information can also be obtained regarding the policies made in adopting *Fintech (Financial Technology)*, as well as the reasons for adopting and using *Fintech (Financial Technology)*. According to informant A, policy adoption of *Fintech (Financial Technology)* in banking refers to the use of new and innovative technology in the financial industry. This can include a variety of applications, such as mobile payments, cloud-based financial services, and digital investment platforms. These policies can help improve the

accessibility and efficiency of financial services, as well as reduce costs and improve customer experience. Implementation policy *Fintech (Financial Technology)* itself must comply with the rules regulated by banking regulations, namely Bank Indonesia (BI) and the Financial Services Authority (OJK). According to informant B, the reason for implementing *Fintech (Financial Technology)* is that it makes customer transactions easier. According to informant C, the reason I use *Fintech (Financial Technology)* is to facilitate and increase efficiency in carrying out transactions. According to informant D, it makes it easier and more efficient to carry out transactions such as cash deposits, cash withdrawals, transfers between accounts, transfers between banks, money transfers, electricity bill payments, and opening an account without having to visit a physical bank office.

Meanwhile, according to informant E, the reason I use *Fintech (Financial Technology)* is that it saves and streamlines my time in transactions. Especially considering the quite long distance between my house and the bank's physical office. As *Fintech (Financial Technology)* makes it easy for me to make transfers both between banks and to other banks easily and quickly, without having to visit the bank's physical office. Apart from that, other features that I use are purchasing credit, purchasing electricity tokens, and checking balances without having to visit a physical bank office. Everything I can do with ease just via smartphone, even at urgent times like night, which provides convenience and makes managing finances more practical for me. According to informant F, I use *Fintech (Financial Technology)* because the service is better than having to come directly to the bank's physical office. For example, by using an application with mobile banking, I feel the ease and comfort that I cannot get if I have to visit a physical bank office. Service application This mobile banking provides fast and practical access to carry out various banking transactions without being limited by distance and time, such as clearing, top-up, e-money, and gopay. Therefore, I believe that using this application service before is a more profitable option for me in managing finances.

Meanwhile, according to informant G, the reason I use *Fintech (Financial Technology)* is because it makes it easier and increases efficiency in carrying out transactions, as it is available QRIS, Gopay, e-wallet, and OVO features. Besides that, this service can also withdraw or deposit money without an ATM card and can save some account numbers at once, equipped

with finger scan and face detection, so it's safer, and also makes it easier for me to transfer money using BI Fast services and processes as well as quickly. Transfer fees to other banks are also more economical, only IDR 2,500 per transaction, plus transaction limits for interbank transfers are larger. Meanwhile, in the service's previous application, transferring to another bank incurs a fee of IDR 6,500 per transaction. Aside from that, it is equipped with a facial recognition feature as one of the security systems of this application service. According to informant H, the reason I use *Fintech (Financial Technology)* is that Slift makes it easier for me to carry out transactions, especially with the features provided on This application service is more complete in comparison with other application services and conditions for update it. It's also quite easy, you only need to bring your KTP and ATM card to the bank's physical office. The existence of this application makes it easy for me to carry out various transactions such as purchasing electricity tokens, purchasing internet or credit packages, paying bills, top-ups, and also being able to check remaining balances and incoming money without having to go to the nearest physical bank office or ATM. Apart from that, payments using QRIS are faster and easier without having to wait for change. Moreover, now you can pay using QRIS for transactions under IDR 10,000, you can even use QRIS, and it is even connected to e-commerce, which can be used for shopping services. Service presence, this application also provides convenience for me and other customers in dealing with problems that may occur with mobile banking services, or losing their ATM card, to be able to block their ATM card without having to come to the bank's physical office.

Implementation *Fintech (Financial Technology)* is also one of the strategies for banks to continue to innovate and improve products and services while still paying attention to technological developments as a driving factor in the shift in the behavior of modern society who want convenience, security, and comfort in transactions by presenting innovative digital banking products and services that make it easier. Banking transactions. This not only focuses on fast and easy sources of financing but also on customers who are not covered by banking services.

From the informants interviewed, information can be obtained regarding the type of adoption of *Fintech (Financial Technology)* used, the types of *Fintech (Financial Technology)* which are widely used, and the types of *Fintech (Financial Technology)* used by users/customers. According to informant A, the type

of adoption *Fintech (Financial Technology)* used are biller bill payments which involve the use of mobile applications to carry out financial transactions, such as purchasing goods and services or transferring money; cloud-based financial services involving the use of cloud-based platforms to manage personal finances, such as investments, savings, and loans; digital investment platforms involving the use of online platforms to buy and sell stocks, bonds, and other investment assets; peer-to-peer financial services or loans (credit); artificial intelligence-based financial services that involve the use of algorithms and AI models to provide investment advice, manage portfolios and identify potential risks; and mobile-based financial services that involve using mobile applications to manage personal finances, such as transferring money, paying bills, and viewing account balances.

Meanwhile, according to informant B, the type of implementation of *Fintech (Financial Technology)* which is widely used in banks, namely providing digital services for customers such as mobile banking, ATM/CRM, EDC, and internet banking with complete features. According to informants C, D, E, F, G, and H, the type of *Fintech (Financial Technology)* used is Mobile Financial Services.

According to researchers, the service implementation of *Fintech (Financial Technology)* in banks in terms of performance expectations has shown positive results. This is proven by the high level of confidence of the informants in the use of the system *Fintech*, which can improve performance and generate profits. Therefore, the implementation of fintech services in terms of performance expectations is considered effective.

### *Business Expectations*

From the informants interviewed, information can be obtained regarding the policies and regulations created for the adoption and implementation of *Fintech (Financial Technology)*, which is easy to use by users/customers. According to informant A, every product *Fintech (Financial Technology)* or digital products created by banks are always accompanied by Standard Operating Procedures (SOP) and technical instructions for using the system by customers. According to informant B, every *Fintech (Financial Technology)* or digital product created by banks must be disseminated to customers with clear technical instructions. According to informants C, D, E, F, G, and H, the regulations of *Fintech (Financial*

*Technology*) are very easy to use.

According to researchers, the service implementation of *Fintech (Financial Technology)* in banks in terms of business expectations has provided positive results. This is evident from all the informants' answers, which show the ease of use of the system. Therefore, the implementation of fintech services at the bank in terms of business expectations is considered effective.

### *Social Influence*

From the informants interviewed, information can be obtained regarding policies and regulations that have been created to influence other users/customers to use *Fintech (Financial Technology)*. According to informants A and B, carrying out massive socialization regarding product *Fintech (Financial Technology)*, which is implemented. Meanwhile, informants C, D, E, F, G, and H also participate in influencing other users/customers to use *Fintech (Financial Technology)* because they want to show that using *Fintech (Financial Technology)* can provide convenience in transactions.

According to researchers, the service implementation of *Fintech (Financial Technology)* in banks in terms of social influence has produced positive results. This is proven by all the informants' answers, which show confidence in this new system and encourage other users to feel the positive impact. Therefore, the implementation of fintech services at the bank in terms of social influence is considered effective.

### *Facilitating Conditions*

From the informants interviewed, information can be obtained regarding the condition of the facility infrastructure, *Fintech (Financial Technology)*. According to informants A and B, infrastructure must adapt to *Fintech (Financial Technology)* implemented by the bank. According to informants C, D, G, and H, the condition of the facilities, *Fintech (Financial Technology)* at the bank, needs to be improved with new features.

Implementation costs of *Fintech (Financial Technology)* are derived from the profits obtained when it exceeds the business targets set through the Bank Business Plan (RBB). These profits are then invested or allocated to implement the service *Fintech (Financial Technology)*, to achieve opportunities to continue to improve efficiency, speed, and quality in financial services, and comply with Bank Indonesia

Regulations (PBI) to provide financial services of a nature, inclusive in the form of *Fintech (Financial Technology)*. This aims to remain competitive in a banking market that is increasingly connected with technology.

According to researchers, the service implementation of *Fintech (Financial Technology)* in banks in terms of facilitating conditions has not provided positive results. This is evident from all the informants' answers, which stated that the organizational and technical infrastructure did not support the use of the system. Therefore, the implementation of fintech services at the bank in terms of facilitating conditions is deemed not yet effective.

Thus, the implementation of *Fintech (Financial Technology)* in improving financial performance in banks is considered effective in terms of performance expectations, business expectations, and social influence, but not yet effective in terms of conditions that facilitate.

### *Effectiveness of Service Implementation Fintech (Financial Technology) in Supporting Sustainability*

#### *Performance Expectations*

As one of the providers of banking products and services for the community. Banks have an important role in supporting and contributing to the Sustainable Development Goals. This is done by banks so that they can maintain their financial and operational performance in the long term by considering economic, social, and environmental impacts. One way to take this is through the service implementation of *Fintech (Financial Technology)*.

From the informants interviewed, information can be obtained regarding expectations for the adoption, implementation, and use of *Fintech (Financial Technology)* in the future. According to informant A, the hope is that all banking transactions can be carried out digitally. According to informant B, it can provide convenience for customers' digital transactions. According to informants C, D, E, F, G, and H, service features have been further improved along with increasingly advanced technological developments, such as online credit applications.

According to researchers, the service implementation of *Fintech (Financial Technology)* in banks in terms of performance expectations has shown positive results. This is evident from all the informants' answers, who stated that the hope for the future is to be able to improve the system's services. Therefore, the implementation of fintech services at

the bank in terms of performance expectations is considered effective.

#### *Business Expectations*

From the informants interviewed, information can be obtained regarding the obstacles/difficulties faced in adopting, implementing, and using *Fintech* (*Financial Technology*) and strategies undertaken for the sustainability of *Fintech* (*Financial Technology*) in the future. According to informant A, the obstacle/difficulty is the cost of technology *Fintech* (*Financial Technology*), which is too expensive. The way to overcome this is through the technological development of *Fintech* (*Financial Technology*), the bank will conduct an in-depth study regarding the implementation of *Fintech* (*Financial Technology*) and create a thorough Bank Business Plan (RBB). According to informant B, obstacles/difficulties faced in implementing *Fintech* (*Financial Technology*) are the technology cost, which is too expensive. The way to overcome this is through the technological development of *Fintech* (*Financial Technology*), the bank will conduct an in-depth study regarding the implementation of *Fintech* (*Financial Technology*) and create a thorough Bank Business Plan (RBB).

According to informants C and D, while using *Fintech* (*Financial Technology*), I haven't experienced any problems yet. According to informant E, as long as I use *Fintech* (*Financial Technology*), there are almost no significant obstacles and everything runs smoothly. However, like with any technology, sometimes some situations might cause problems, but before that, it didn't make me stop using the service. For example, when a technical problem occurs that causes slow system response or internal failure to carry out transactions. Apart from that, there are deep difficulties with updates or feature changes that I haven't yet understood completely.

According to informant F, *obstacles/ difficulties* that I felt while using *Fintech* (*Financial Technology*) are a dependency on an internet connection; this application service requires stable internet access to work with Good. I also realized that to use this application, a cell phone with certain specifications is required. Besides, sometimes there are problems in the connection between service applications and devices that can cause concerns about the security of personal data or the lack of cyber protection aspects from the bank. Apart from

that, the features are not complete enough when compared to mobile banking in other banks.

Meanwhile, according to informant G, There are several obstacles/difficulties that I felt when using *Fintech* (*Financial Technology*), such as having difficulty logging in, often crashing, and not even being able to be accessed at all even though my internet connection is stable and functioning well for other applications, but this application service often gives me a notification that there is no internet connection. If it's my input personal to maintain sustainability this application service in the future can be considered by the bank, namely, the bank must give it reach to customers outside the bank's physical office such as the PKK mother group and others about basic concepts, usage guide, benefits usage, and also about security and privacy data if using this application service, moreover, this application service can be said to have just been launched. This is to build trust and customer interest in making transactions using this application service in the future. Maybe a suggestion from my process, the Login must be made easier to provide convenience to customers, so that the application can be accessed easily without technical problems, because during an emergency, application services can't be used, even though I need fast and unhindered access.

Meanwhile, according to informant H, the problem/difficulty that I felt while using this application service was the slow system and continuous update requests. The facial verification process also often fails to be carried out and updated from previous service applications to the services of these applications must go to the nearest physical bank office. Besides that, opening the service of this application using a previously registered Telkomsel card network is also not possible. My input for maintaining the sustainability of this application service in the future is to involve customers deeply in product and service development such as listening to feedback from customers and continuing to improve services based on the experience of actual customers and doing continuous monitoring and evaluation of service performance including analysis of metrics keys such as customer satisfaction and identifying areas that need improvement. My advice possible to improve the system of this application service by reducing update requests too often, improving the facial verification process to be more accurate and reliable, as well developing deep features of this application service so that I and other



customers can upgrade from previous application services the this application service independently without having to go to nearest physical bank office.

According to researchers, the service implementation of *Fintech (Financial Technology)* at the bank in terms of business expectations has not shown positive results. This is evident from the informant's answer, which stated that technology costs *Fintech (Financial Technology)*, which is too expensive, and the level of system operation still has problems. Therefore, the implementation of the fintech service at the bank in terms of business expectations is considered ineffective.

### *Social Influence*

In terms of supporting sustainability implementation, *Fintech (Financial Technology)* in the future, in terms of social influence, is considered effective. This is due to the adoption and implementation of *Fintech (Financial Technology)*, which is motivated by Bank Indonesia Regulations (PBI) with certain standards and qualifications, so banks are required to provide inclusive financial services in the form of *Fintech (Financial Technology)*. Therefore, bank activities are not only to provide credit and collect funds from the public in the form of savings in the form of current accounts, time deposits, certificates of deposit, savings, and others, but currently, all community activities must be linked to banks. Banks must provide and create products or services that can meet people's needs, such as paying for electricity, credit, shopping *online*, and others. Therefore, people who deal with finance will be connected to banks because of their personal needs, and will naturally use the implementation of *Fintech*.

### *Facilitating Conditions*

From the informants interviewed, information regarding strategies and suggestions regarding organizational and technical infrastructure facilities can be obtained from *Fintech (Financial Technology)* in adopting, implementing, and using this technology to make it better in the future. According to informants A and B, the strategy implemented includes adjustments to information technology infrastructure, such as increasing network capacity and improving system integration to support digital financial services in the future, as well as stronger cybersecurity. Apart from that, it is also necessary to increase human resources through training and skills development, as

well as adequate budget allocation for the development of the latest technology in the future. Meanwhile, informants C, D, E, F, G, and H suggested expanding the internet network and conducting research and development to improve services. *Fintech (Financial Technology)* is in line with market developments and technology that continues to develop over time.

According to researchers, the service implementation of *Fintech* in banks under facilitating conditions has shown a positive impact, with an expected increase in the future. Therefore, the implementation of fintech services in banks is considered effective under facilitating conditions.

Thus, the implementation of *Fintech (Financial Technology)* in supporting the sustainability of these services was found to be considered effective in terms of performance expectations, social influence, and facilitating conditions, but not yet effective in terms of business expectations.

### **Conclusion**

Effectiveness of service implementation *Fintech (Financial Technology)* in improving financial performance in banks is considered effective in terms of performance expectations, business expectations, and social influence, but not yet effective in terms of conditions that facilitate. Effectiveness of service implementation *Fintech (Financial Technology)* In supporting the sustainability of these services, it was found to be considered effective in terms of performance expectations, social influence, and facilitating conditions, but not yet effective in terms of business expectations.

The sample used was only one bank, consisting of eight informants: one policymaker, one policy implementer, and six users. In-depth insights were gained in this study. However, the results are highly dependent on the researcher's subjectivity, limited representation, and the relatively long time required for data collection. The results of this study cannot be generalized to other objects.

The research suggestion is that Bank Indonesia, as a regulator, needs to clarify the rules governing the development of *Fintech (Financial Technology)* services to avoid concerns about the security and data privacy of customers who want to use these services and prevent fraud and identity theft that often occur. Then, for the next research, it is necessary to increase the number of informants to cover the representation as a whole to explore other aspects of *Fintech*

(Financial Technology) that have not been fully revealed.

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