## ABSTRACT

Given the increasing technology in Indonesia makes significant changes in various sectors, one of which is in financial technology, namely mobile banking where the service can help bank customers in conducting various types of transactions easily and efficiently but also with good security. Along with the development of digital transaction activities, it needs to be equipped with digital balance in order to avoid digital inequality. Based on this phenomenon, the authors aim to analyze the effect of digital inequality on the level of utilization of mobile banking in Jambi City.

Usage of internet in Indonesia experiencing a continues improvement every year. However, the internet network in Indonesia has not been spread evenly. In fact, this research found that internet network in Jambi has not spread evenly. Jambi is one of the cities with highest expenditure per capita. In addition, this city has the value of transaction activities in banking sector. However, if based on internet network in Jambi still not distributed evenly.

This research use SEM-PLS analysis technique, consist of several stages, among them are outer model analysis to check the relationship between latent variable. Then inner model analysis to evaluate collinearity, significance, relationship between the structural model. To determine significance of the hypothesis and the influence of each variable both positive or negative. This research focusing on four variables, among them are motivation, physical access and material, digital skills and usage of mobile banking. The sampling method used was non-probability sampling with total 304 respondents. Data were collected through questionnaires and analyzed using WarpPls 7.0 software.

The research findings reveal that 4 variables representing different stages in the utilization of mobile banking technology have a significant impact on the use of mobile banking in Jambi City. This indicates that there is no digital inequality in the use of mobile banking in Jambi City. However, when looking from moderating variables such as gender, age, and education, they have different views on the utilization of mobile banking.

It is hoped that this research can be used as an evaluation for the government to evaluate and improve the spread of digital literacy to the general public, especially in rural areas. The aim is to emphasize the importance of utilizing fintech, including mobile banking. In addition, the results of this study provide benefits for banks to be able to increase consumer understanding of the advantages and benefits associated with mobile banking. Therefore, it is expected that this study will contribute to the increased adoption of mobile banking and the expanded accessibility of digital financial services.

**Keywords** : *Mobile Banking, Digital Divide, SEM-PLS, Digital Literacy*