ABSTRACT

The rapid development in the field of technology, especially in the financial services industry, has made almost all financial products information-based and digitized because processes in the financial services industry take place without physical interaction, namely online payments. Peer to Peer (P2P) Lending or often known as an online loan application is a type of financial service that connects lenders and borrowers when they make credit agreements using an electronic system via the internet.

The purpose of this study is to determine the effect of Fintech on profitability ratios consisting of Return on Assets, Return on Equity, Return on Investment, and Net Profit Margin. Liquidity ratio (Cash Ratio), and financial performance using a solvency ratio, namely the Debt to Equity Ratio (DER). in lending companies registered with OJK for the period 2020 - 2021 either partially or simultaneously.

This study uses data sources originating from the financial reports of P2P Lending companies registered with the Financial Services Authority for the 2020 – 2021 period, with a total sample of 22 companies using a purposive sampling research method.

This study succeeded in revealing that Return on Assets (ROA), Return on Equity (ROE), Return on Investment (ROI), Net Profit Margin (NPM), Cash Ratio (CR) do not simultaneously influence financial performance in P2P financial technology companies. lending. Only the variable Return on Equity (ROE) has a partial effect on the financial performance of financial technology companies in P2P lending companies. Apart from these variables, namely Return on Assets (ROA), Return on Investment (ROI), Net Profit Margin (NPM), Cash Ratio (CR) has no effect on the financial performance of P2P lending technology companies.

The results of this study are expected to be a reference for further research to obtain information on the factors that influence profitability and liquidity on financial technology (fintech) financial performance in P2P lending companies. From the theoretical aspect, the authors provide suggestions for subsequent research to conduct tests related to financial performance which is prorated using the Debt to Equity Ratio with other independent variables. For companies, the results of this study indicate that there is a significant influence between the level of return on equity on the company's financial performance, so that companies, especially fintech companies, are expected to continue to improve the company's ability to utilize the company's capital or equity to generate net income.

Keywords: *Fintech, Financial Ratio, Financial Performance*