ABSTRACT

The company's financial stability is influenced by the development of the fintech industry, so it requires supervision to manage the risks that arise. This research aims to analyze the factors that influence financial stability in Peer-to-Peer lending fintech companies in Indonesia. The independent variables used are the number of P2P, SIZE, CTI, LTA, NON, EAR, and NPL. The data used comes from statistical reports of fintech P2P lending companies published by the Indonesian Financial Services Authority with a time of May 2021 to March 2024. The dependent variable used is Z-score Equity to Total Assets to measure financial stability. Research was conducted on Peer-to-Peer lending fintech companies in Indonesia. This research uses the OLS analysis method through classical assumption testing and hypothesis testing. The regression analysis used shows several significant findings related to factors that influence the company's financial health. The results show that the Cost to Income Ratio is also an important factor, where a higher company cost ratio is associated with lower profitability and worse financial stability. These findings highlight the importance of SIZE, CTI, LTA, and EAR for the stability of peer-to-peer lending fintech companies because they can make the financial system more stable.

Keywords: Fintech, P2P, OLS, Ratio, Stability