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The Influence of Financial Technology on Financial Performance Moderated by Internet Financial Reporting in Indonesia

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ABSTRACT

It is hoped that the presence of fintech can be relied on to improve financial performance such as increasing profitability, reducing operational costs and overcoming credit problems. However, in reality the financial performance of fintech companies is still not optimal. This research aims to ensure that companies can continue to improve their financial performance and to determine the importance of fintech and digital financial services in the economy. This research method uses a quantitative approach. The population of this research are companies listed on the Indonesia Stock Exchange (BEI) which are included in the list of Financial Technology Companies. The data was processed using IBM SPSS version 22 software. The research results show that financial technology is able to improve financial performance and Internet Financial Reporting (IFR) is able to moderate the relationship between financial technology and financial performance in fintech companies listed on the Indonesia Stock Exchange (BEI) in 2018 - 2021.

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INTRODUCTION

With the emergence of the technology-based financial industry in the last few decades, the world of finance has witnessed a major transformation. The use of technology in financial services that has changed the world of conventional finance is called fintech. The growth of fintech in Indonesia has resulted in major changes in the way people access and use financial services. Fintech has the same role as banking, providing financial services, and their products and services are able to provide more competitive choices.

Currently, several industries in Indonesia use technology-based innovation, one of which is the financial sector. Fintech is a term for technological advances in the financial industry. According to Harefa and Kennedy (2018)3, fintech is the use of the best technology to improve financial services. Many investors don't know how fintech works. Based on statistical data from the Financial Services Authority (OJK), the total value of loan distribution continues to increase from the beginning of 2020 to 2021. Fintech funds reached IDR 159.5 trillion in 2020 and increased to IDR 236.4 trillion in 2021. Fintech often incorporates automation technology to simplify and speed up financial processes. This includes automating the collection and presentation of financial data, which can then be used for more efficient analysis of financial reports. One of the results of the accounting process is a financial report, which can be communicated to parties interested in the financial condition and results of business operations. Financial ratio analysis, such as profitability ratios, can be used to determine whether a business's financial statements are in good condition.

Many investors are unaware of the true financial situation during the COVID-19 pandemic. COVID-19 cases increased rapidly until the fourth quarter of 2020, which had an impact on the financial performance of fintech lending. Meanwhile, statistical data from the Financial Services Authority shows an increase in the total value of loan distribution from the beginning of 2020 to 2021. Where the distribution of fintech funds reached IDR 159.5 trillion in 2020 and increased to IDR 236.4 trillion in 20214.

Currently, the financial performance of fintech companies is still not optimal. This is shown by the decline in the Return On Assets (ROA) value of 172 fintech companies registered by the Financial Services Authority (OJK) which is presented in Figure 1.1.

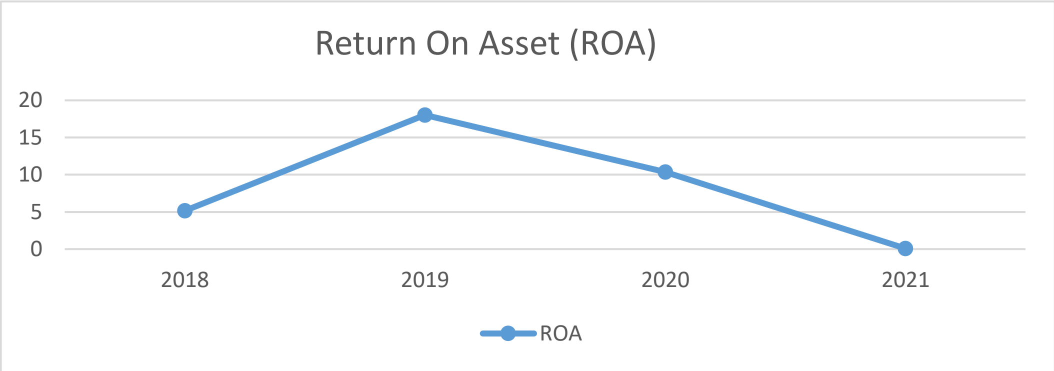

Figure 1.1 Graph of Return on Assets (ROA) Value Growth for 2018 – 2021

Source: Indonesian Stock Exchange, (2023)

Figure 1.1. shows that in the 2018-2021 period the ROA value, which is one of the indicators for measuring the financial performance of fintech companies, in the 2018-2021 period, the financial sector shows an unstable trend. Its movement increases and decreases. The profitability ratio measured by ROA in fintech companies is that the total ROA value for the 2018 period was 5,175, while the total ROA value for the 2019 period was 18,031. In the 2018-2019 period, the ROA value increased by 12.86. The total ROA value for the 2019 period was 18.031, while the total ROA value for the 2020 period was 10.38. For the 2019 - 2020 period, the ROA value decreased by 7.65. The total ROA value for the 2020 period is 10.38, while the total ROA value for the 2021 period is 0.085. For the 2020-2021 period, the ROA value decreased by 1.85.

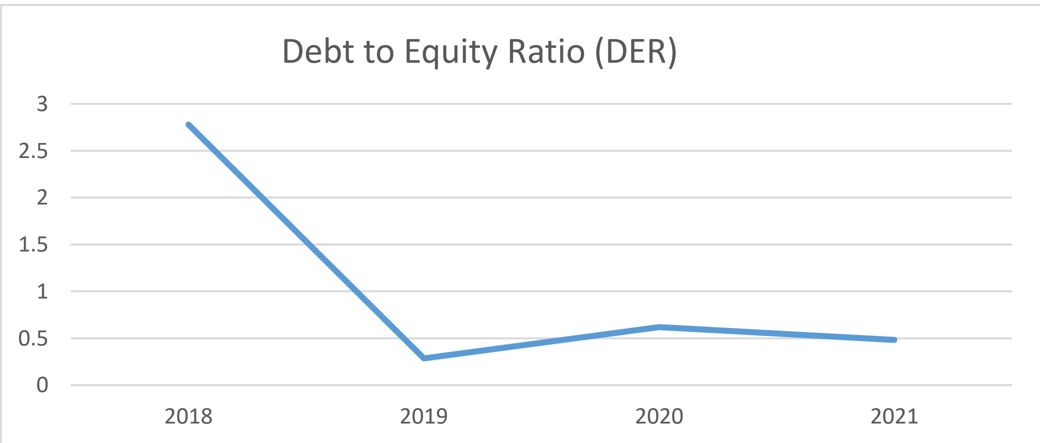

Figure 1.2 Graph of Growth in Debt to Equity Ratio (DER) Value 2018 - 2021

Source: Indonesian Stock Exchange, (2023)

Figure 1.2. shows that in the 2018-2021 period the DER value, which is one of the indicators for measuring the financial performance of fintech companies, in the 2018-2021 period, the financial sector shows an unstable trend. The movement experienced decreases and increases. The debt to equity ratio as measured by DER in fintech companies is that the total DER value for the 2018 period was 2.78, while the total DER value for the 2019 period was 0.28. In the 2018-2019 period, the DER value decreased by 2.5. The total DER value for the 2020 period is 0.61, while the total DER value for the 2021 period is 0.48. For the 2020 - 2021 period, the DER value decreased by 0.13.

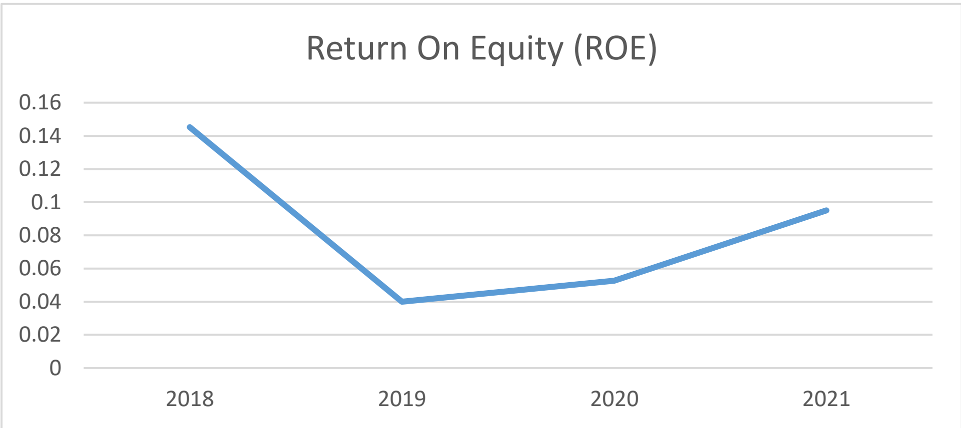

Figure 1.3 Graph of Return on Equity (ROE) Value Growth for 2018 - 2021

Source: Indonesian Stock Exchange, (2023)

Figure 1.3. shows that in the 2018-2021 period the ROE value, which is one of the indicators for measuring the financial performance of fintech companies, in the 2018-2021 period, the financial sector shows an unstable trend. The movement experienced decreases and increases. The ratio of net profit to equity as measured by ROE in fintech companies is that the total ROE value for the 2018 period was 0.14, while the total ROE value for the 2019 period was 0.03. In the 2018-2019 period, the ROE value decreased by 0.10. The total ROE value for the 2020 period is 0.05, while the total ROE value for the 2021 period is 0.09. For the 2020 - 2021 period, the ROE value increased by 0.04.

As shown by Azizah (2018)6, the financial sector plays a very large role in driving a country's economic growth. With the accumulation of capital and technological innovation, the financial sector has become a locomotive for real sector growth. One of these business services will continue to follow developments in technology companies by using effective financial reporting services. Fintech has helped people and communities obtain financial services that were previously inaccessible to the conventional financial system. With the advent of fintech, the traditionally conservative financial sector has changed drastically. Fintech has enabled consumers and businesses to obtain faster, more efficient and cheaper financial services. Digital payment applications, peer-to-peer lending, roboadvisors, blockchain technology, and online insurance are some of the developments that have created new ways to meet financial needs.

Judging from the current phenomenon, Santoso (2022)9 shows that factors in the application of fintech include Indonesia's location, which has 17,000 islands and the majority of the population lives in remote areas. Comparatively, the data shows that e-commerce sales have reached US$ 7 billion or around IDR 98 trillion (assuming an exchange rate of IDR 14,000/US dollar), with growth of 22% from the previous year, which means that e-commerce transactions can reach IDR 100 trillion and continues to rise. Currently, Indonesia is in 16th place as the country with the largest economy in the world, and by 2030, it is projected that Indonesia will become the 7th largest fintech country in the world.

Previous studies conducted by 8showed that financial attitudes have a positive impact on financial management actions. On the other hand, research conducted by Osigbemhe et al (2023)11 shows that fintech does not have a significant impact on bank business performance in Nigeria. This shows that financial attitudes are influenced by current financial problems. According to research, a person's attitude towards finances influences how they manage their finances.

Prastika's research (2019)12 shows that fintech has a positive and significant effect on the profitability of Sharia Banks, especially the ROA, ROE and NIM variables at Bank Syariah Mandiri. Meanwhile, BOPO has a negative and significant effect. For Bank Negara Indonesia Syariah, the variables ROA, NIM, and BOPO are not significant, while for Bank Mega Syariah, the variables ROA, ROE, and NIM have a negative and significant effect. In contrast, for Bank Mega Syariah, the ROA, ROE and NIM variables have a positive and significant effect.

However, research conducted by Andriyani and Rina 9 found that the number of board of commissioners, leverage and profitability had a positive impact on IFR, while institutional ownership had a negative impact. Naras (2014)14 shows that companies that make financial disclosures on the internet have higher company value compared to companies that do not. Companies that make more financial disclosures on their websites are a good signal for investors because they can increase company value.
For this reason, researchers must conduct research on the financial performance of companies included in the fintech subsector. This research is intended to provide references to companies and investors, as well as to ensure that companies can continue to improve their financial performance to attract investors' interest in investing and to find out how fintech and digital financial services are increasingly important in the economy. Unlike previous studies, this research uses the IFR variable as a moderating variable and uses profitability indicators, Return On Assets (ROA), Debt to Equity Ratio (DER) and Return On Equity (ROE) to measure the company's financial performance. ROA, DER and ROE provide a broader picture of how efficiently a company uses all the assets, liabilities and equity it owns.

LITERATURE REVIEW

Agency Theory

Agency theory has received research attention since the journal. The journal explains theories that discuss the relationship (agency relationship) and agency problems (agency problems) between owners and agents. The owner uses the services of an agent to manage the company and gives the agent authority to make decisions.

The relationship between agents and owners is explained by agency theory. The party who has funds for the company's operational costs is the owner, while the agent is the party appointed by the owner to represent him in managing the company's operational activities. Both agents and owners have an interest in the company. By knowing more about the company's activities, managers tend to act opportunistically. This encourages fraudulent behavior by agents to hide some information from owners. Organizational problems such as adverse choices and moral risks can arise as a result of this information asymmetry.

The existence of information asymmetry is caused by differences in the portion of information owned by both parties. In this situation, the agent, who runs the company's operations, has a better and greater understanding of the company's condition. On the other hand, owners who are not directly involved with company operations only know the condition of the company through information provided by agents.
There are different goals that owners and agents want to achieve. This difference in goals can cause agents to become opportunistic, encouraging them to carry out information asymmetry and income management to achieve their personal

goals12. Company stakeholders experience negative impacts from these problems. Information asymmetry in financial reports causes them not to know the actual condition of the company, so they cannot assess the company correctly as a result of making wrong decisions.

According to Dechow, mismanagement of profits in a company's financial statements can reduce the value of the company 13. Therefore, agency theory originates from the fact that there is an inequality of information between the owners and managers of the company. In addition, companies can create an effective corporate leadership system to supervise and maintain accountability of actors in running their business

Signaling Theory

Michael Spence was the first to offer signaling theory. According to signal theory, by giving a signal, the sender (owner of the information) tries to provide relevant pieces of information to the signal recipient so that it changes its behavior. In companies that go public, businesses that have good prospects send clear and reliable signals to the market, so they get a good response 15.

According to signal theory, company management provides signals to reduce information asymmetry. Annual reports prepared by company management provide non-financial and financial information. The financial reports published by the company are expected to help users, especially creditors and investors, in making decisions about credit and investment. Creditors and investors hope to receive complete information to avoid inaccurate information16.

Signal theory is used to assess the information content in Internet Financial Reporting (IFR) disclosure events. This theory explains how companies give investors signals containing information about company performance found in the IFR where these signals can influence the company's financial performance16.

A study by Luluk, Purwanti found that internet banking had a negative impact on ROA during the first 1-2 years, but after two years of adoption it had a positive impact 17. Financial performance was not directly influenced by internal control 18. However, research by Nainggolan and Abdullah (2022) found that the COVID-19 pandemic is affecting the overall financial performance of fintech companies in Indonesia, with a negative impact on their financial performance. This is because the COVID-19 pandemic affects society's economy as a whole, which also has an impact on fintech companies in Indonesia.

Good reports to external parties can provide good signals, such as information about working capital management and financial ratios, so that external parties are more confident about the profits presented by the company when assessing its performance. This can inform external parties that the profits generated by the company purely come from the company's performance, not from profits engineered by the company.

The signal theory of every action contains information, which can be used by stakeholders (Pratiwi et al., 2021). According to this theory, management actions can produce positive signals that have an impact on stakeholder responses that are positive and beneficial to management, and can also produce negative signals that have an impact on stakeholder responses that are negative and detrimental to management.

From the definitions above, it can be concluded that signal theory is information published by an entity with the aim of providing information to stakeholders about the condition of financial statements as a basis for making investment decisions. One piece of information that can be used as a signal is how financial technology affects the financial performance of companies registered with the financial services authority.

Influence Between Variables

The Influence of Financial Technology on Financial Performance

Fintech is very important for increasing productivity and economic activity, improving quality, reducing the complexity of business operations, and uncovering new business trends according to (Olusola and Oluwaseun, 2013; Hastuti et al., 2021; Suyanto, 2022)19.

According to (Ezra, 2020), there are differences in financial performance between banks that implement fintech and those that do not, and fintech has improved the financial performance of banks in Indonesia. This shows that implementing fintech has benefits, as banks can earn greater profits more efficiently. It is very important for the entire board of directors and stakeholders to understand that fintech development must be implemented in every bank. This is supported by research by Ilham et al (2020) showing that the application of Financial Technology has an effect on profitability.

According to Sry et al. (2021), Return On Assets (ROA) is one of the financial metrics used to measure a company's overall profitability. ROA can show the efficiency of the assets used to generate profits, with a higher ROA value in proportion to the company's performance. This is in accordance with the results of ROA research both before and after fintech. The test results with the BOPO variable show that there is no difference between the results before and after fintech. In addition, the test with the NPF variable shows a significant impact on NPF when using both results.

According to , payment gateway-based fintech has a significant positive impact on the financial performance of MSMEs. If the use of payment gateways has a large or high value in the MSME industry, the number of sales and profits will increase. Fintech can also mean e-payment, which has recently emerged in Indonesia as a payment method system that allows the exchange of monetary value using internet services according to Sustiyo.

According to Dharmatanna, fintech services improve banking financial performance which is controlled by company size and capital adequacy ratio. This shows that banks that implement fintech have different financial performance from banks that do not. Therefore, fintech has a positive impact on the financial performance of banks in Indonesia. By implementing fintech, banks can gain greater profits. It is very important for the entire board of directors and stakeholders to understand that fintech development must be implemented in every bank.

As shown by Candy, there is a significant difference in ROA before and after the use of fintech. The value of net profit generated from company assets is proportional to the ROA value, which shows that the company's performance is getting better.

According to signal theory (Tanjung & Aulia, 2022), financial reports influence the assessment of a company's financial performance if the signal is good and can provide good information to users of the financial report. According to signal theory (Spence, 2008) and (Luluk, Purwanti, 2020), investors or users of financial reports receive "signals" as a result of information asymmetry between interested parties and the company. The profitability value, as measured by a high Return On Assets (ROA), shows that the business has the ability to generate large profits and shows good performance. On the other hand, a low profitability value indicates that the business is performing poorly, thus giving a bad signal to investors. However, the increase in the number of financial technology companies serving consumers is also a positive signal in facilitating transactions in the financial sector.

The Influence of Financial Technology on Internet Financial Reporting

According to Novan (2022), the accountability of financial technology companies is influenced by online financial reports. According to the official OJK website regarding fintech providers registered and licensed with the OJK as of October 6 2021, there are 106 fintech providers registered and licensed with the OJK. This research aims to show how fintech company accountability is used in Indonesia.

Of the 106 known fintech companies, 80-85 percent have used websites to disclose their financial report data. This shows that most fintech businesses have used the internet to provide financial reports to stakeholders, especially capital owners and customers. These ninety-five fintech companies have different levels of financial report disclosure. Thirty fintech companies have the highest level of accountability, fully disclosing all elements of their financial statements in accordance with PSAK 1 (Novan, 2022).

Novan (2022) shows that the quality of disclosure of financial reports and financial information presented by fintech companies in Indonesia can be used to help fintech company stakeholders, especially customers, potential capital owners and investors, in making business decisions related to transactions with fintech companies. .

According to Fahmi, this shows that MSMEs do not have broad access to financial and non-financial information24. Apart from that, in the digital era, MSMEs have limited financial access. This shows that:

1. Utilizing IFR as a medium for presenting financial and non-financial reports for MSMEs will provide more benefits compared to traditional reports. According to signal theory, companies can establish relationships through the media with company stakeholders regarding what the company has

done. By utilizing IFR, it makes it easier for MSMEs and stakeholders to establish working relationships even though they do not meet face to face. The report presented shows the information needed by stakeholders, both creditors and investors, for reporting the accountability of management and other parties in decision making.

2. According to the FASB (Financial Accounting Standards Board) (2002), presenting financial reports via the internet (IFR) makes it easier and faster to prepare financial reports, so that they are easily accessed by anyone, anytime and anywhere. This is a concept that supports MSMEs to utilize IFR in optimizing fintech to excel in competition, especially in terms of presenting financial reports as an escalation of capital financing.
3. Financial Technology is considered appropriate for the development of MSMEs if it is adjusted to needs, costs and benefits. Financial Technology will help all forms of financial access for MSMEs, as well as building business communications through optimizing Internet Financial Reporting (IFR) as a complement to information needs. This utilization is related to capital financing and marketing, which is supported by Financial Services Authority Regulation Number 77/POJK.01/2016. Basically, optimizing fintech using IFR will increase the added value of MSMEs in the view of their stakeholders.

Based on signal theory, investors often use the internet to get information about potential and current investment opportunities. This is known as internet financial reporting, which makes information easier and more quickly available to the public. Apart from that, internet financial reporting helps companies disseminate information about their advantages, which is a positive signal that the company will progress.

Signal theory can also be used to predict the quality of voluntary reporting, for example, if internet media is used, financial reporting will be better. Financial technology companies provide signals to interested parties about the company's condition and prospects through their websites. Signal theory is at the heart of internet financial reporting practice. Because company managers have more knowledge about the company and its future prospects than external parties, signaling theory states that companies are motivated to provide information.

The Influence of Internet Financial Reporting on Financial Performance

According to Abdillah, financial performance has no effect on internet financial information disclosure (IFR). The results of this study are consistent with previous research (Puspitaningrum and Atmini, 2012), which found that profitability, liquidity and leverage do not affect the extent of IFR disclosure. However, a company's financial performance does not determine its transparency in the IFR, because the most dominant information provided by the company on its website is about the advantages of its products.

According to , the quality of financial reports on the internet is strongly influenced by financial performance, with public share ownership as a moderating factor. This shows that profitability in public shares is one of the main considerations for companies going public in Indonesia. This is in line with Abdillah and Astia's research that IFR significantly influences stock performance.

Maryati's research (2014) shows that managers provide signals to reduce information asymmetry in current conditions, where many sectors, especially those related to investment, are experiencing uncertainty due to the COVID-19 pandemic. The more information disclosed on the internet will make management and external parties more confident in investing their funds in the company. Meanwhile, according to (Lia and Maharani, 2022) it shows that financial performance has no effect on IFR. This is in line with the research results of Ratna and Agus (2022) showing that IFR and earnings quality have no effect on financial performance, IFR has a positive effect on market reactions, earnings quality has a negative effect on market reactions and financial performance has a positive effect on market reactions. Financial performance is a mediating (intervention) variable in looking at the relationship between IFR and earnings quality and the company's financial performance.

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Internet Financial Reporting Moderates Financial Technology on Financial Performance

According to Damayanti and Syahwildan, Fintech influences the financial performance of sharia banking in Indonesia. This shows that mobile banking has an influence on the financial performance of sharia banking in Indonesia. It is concluded that the greater the relationship between mobile banking and financial performance, the better the financial performance of Islamic banking in Indonesia. Internet banking also influences the financial performance of sharia banking in Indonesia. It was concluded that the greater the relationship between internet banking and financial performance, the better the financial performance of Islamic banking in Indonesia.

Melisa and Sony (2012) show that company size, profitability, liquidity, leverage, and company age influence Internet Financial Reporting in manufacturing companies on the Indonesian Stock Exchange. This shows that the company size factor greatly influences Internet Financial Reporting.

According to Isma and Manaz (2022), the implementation of ISO 27001: 2013 increases the security of personal data of financial technology users. This suggests that 1) the methods used by the app to collect data and the extent to which that data is used will make users feel confident that they will be protected; 2) the company has control over access to the application, so that the company can ensure that unauthorized parties can access the user's personal data and can revoke such access; and 3) the company has made it easy for unauthorized parties to access the application.

According to Abdillah, it has been shown that business strategy influences Internet Financial Reporting (IFR), and Agency Cost mediates this influence. This shows that Agency Cost aims to monitor management activities or performance, especially policy making, with the aim of avoiding losses for shareholders related to Internet Financial Reporting (IFR), which in the end is expected to generate profits for the company.

Signal Theory says that good financial reports can influence financial performance because the financial report information is good. Internet Financial Reporting (IFR) helps companies disseminate information about their advantages, which is a positive signal to attract investors. IFR is also a way for companies to communicate their advantages to the public, especially investors. Poorly performing companies avoid reporting techniques such as IFR because they seek to hide bad news, in contrast to profitable companies that will use IFR to spread their good news.

METHODOLOGY

This research method uses a quantitative approach. The population of this research are companies registered with the Financial Services Authority (OJK) which are included in the Financial Technology Company list. Sampling for this research used a non-probability method for the 2018-2021 period as many as 491 companies as the target population. The data analysis technique in this research uses the Moderated Regression Analysis (MRA) technique, namely multiple linear regression where the regression equation contains elements of interaction. Meanwhile, this research uses the help of the IBM SPSS version 22 software program.

RESULTS AND DISCUSSION

Research data analysis was carried out using multiple regression analysis techniques with Moderated Regression Analysis (MRA).

a. Descriptive statistics

This research uses descriptive statistical analysis to provide an explanation of the maximum value, minimum value, average value (mean) and standard deviation value of the independent variables and dependent variable. Based on descriptive statistical analysis, the following sample description is obtained:

Table 4.5. Descriptive statistics

		Minimum	Maximum	Mean	Std. Deviation
Teknologi Keuangan (X)	4	.00	4.00	2.2941	1.64279
IFR (M)	4	.00	7.00	2.6471	1.68563
Kinerja Keuangan (Y)	4	0	6	1.32	1.753
Valid N (listwise)	4				

Source: Results of researcher data processing (2024)

Based on table 4.5, it can be seen as follows:

1. Financial technology has a minimum value of 0.00; maximum value 4; average of 2.2941; and standard deviation 1.64279 with a total of 34 observations.
2. IFR has a minimum value of 0.00; maximum value 7; average of 2.6471; and standard deviation 1.68563 with a total of 34 observations.
3. Financial Performance has a minimum value of 0; maximum value 6; average of 1.32; and a standard deviation of 1,753 with a total of 34 observations.

a. Normality test

The normality test in this study used the Kolmogorov-Smirnov test with the test criteria being if the probability value is > 0.05 then the data is normally distributed and if the probability value is < 0.05 then the data is not normally distributed. The following are the results of the Kolmogorov-Smirnov test:

Table 4.6 One-Sample Kolmogorov-Smirnov Test Results

		X	M	Y
N		34	34	34
Normal Parameters[a]	Mean	2.2941	2.6471	1.32
	Std. Deviation	1.64279	1.68563	1.753
Most Extreme Differences	Absolute	.233	.201	.304
	Positive	.154	.152	.304
	Negative	-.233	-.201	-.225
Kolmogorov-Smirnov Z		1.358	1.170	1.774
Asymp. Sig. (2-tailed)		.150	.130	.104

a. Test distribution is Normal.

Source: Results of researcher data processing (2024)

Based on Table 4.6, it can be seen that the magnitude of the Kolmogorov-Smirnov Z and significance > 0.05, namely with a result of more than 0.05, which means the research data is normally distributed so it is suitable for use.

b. Moderated Regression Analysis (MRA) Test

The moderation test in this research uses an interaction test or what is commonly known as Moderated Regression Analysis (MRA) to test the moderator variable. The moderation test in this research is as follows:

Table 4.7 Moderated Regression Analysis (MRA) Test Results

Model	Unstandardized Coefficients		Standardized Coefficients		ig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	IF
(Constant)	4.528	.841		.381	000		
Fintech (X)	-.981	.266	-.919	3.692	001	.316	.163
IFR (M)	-.588	.225	-.566	2.616	014	.419	.384
X*M	.117	.083	.355	.420	016	.314	.181

a. Dependent Variable: Y

Source: Results of researcher data processing (2024)

Based on Table 4.7, it can be seen that the moderation regression analysis equation is as follows:

Y = 4.528 - 0.981X – 0.588 M+ 0.117XM + e

The constant value of 4.528 shows that when Financial Performance, interaction with Financial Technology and IFR (X*M) the value is 4.528. Based on the test results shown in Table 4.7, the coefficient value for financial technology with IFR is 0.117 with a significance level of 0.016. Based on these results, it can be concluded that IFR can moderate the influence of Financial Technology on Financial Performance.

a. R-square test (R2)

R-square is used to measure the level of change in the independent variable towards the dependent variable.

Table 4.8 R-Square Value

	R-Square	R Square Adjusted
Financial Technology	0,372	0,332
Financial Technology*IFR	0,412	0,353

Source: Processed data, researcher, (2024)

Based on Table 4.8, the adjusted R-squared (R2) figure is 0.372, this shows that the percentage of influence of the independent variable on the dependent is 37.2% or it can be interpreted that the Financial Technology variable used in the model is able to explain 37.2% on financial performance variables. Meanwhile, the percentage of influence of the moderating variable on the dependent is 41.2% or it can be interpreted that the IFR variable used in the model is able to explain 41.2% of the financial performance variable.

DISCUSSION OF RESEARCH RESULTS

Based on the results of the analysis above, this research carries out a discussion which shows that:

The Influence of Financial Technology on Financial Performance

Based on the results of hypothesis testing carried out, it is known that Financial Technology has an effect on Financial Performance. So it can be concluded that the first hypothesis in this research is proven, meaning that financial technology in fintech companies currently requires development and transparency for both users and stakeholders in order to improve financial performance.

Financial technology has a significant influence on financial performance, this could be because the type of cooperation that FinTech is establishing is focused on adding customers but in another form, namely the disbursement of investment funds by the Bank to FinTech Start-Ups or in other words here the Bank is the investor/creditor. So there will be additional third party funds which will affect financial performance. Additional funds to the Bank will occur in collaboration with Start-Up FinTech in the type of Risk and Investment Management (investment and risk management) where the bank becomes a place to collect funds so that it will increase the third party funds owned by the bank which are accumulated to the total assets, at This collaboration will have a significant influence on financial performance.

Based on signal theory which can imply the need for information on the financial performance of Fintech companies in Indonesia, financial reports have good signals from the use of fintech services by customers or users, so of course fintech can influence financial performance in Indonesia.

The results of this research are not in line with research conducted by Novan (2022)44, Fahmi et al (2018)45, Damayanti and Syahwildan (2022)30 and signal theory which explains that there is an influence of financial technology on financial performance.

***Internet Financial Reporting* Moderating Financial Technology on Financial Performance**

In accordance with the second hypothesis put forward by researchers which states that Internet Financial Reporting moderates Financial Technology on Financial Performance. So it can be concluded that the second hypothesis in this research is proven, meaning that IFR is able to strengthen the relationship between Financial Technology and Financial Performance in fintech companies.

This is in line with signaling theory, giving signals is carried out by managers to reduce information asymmetry, especially in current conditions which tend to lack certainty in various sectors, especially with regard to investment due to the ongoing outbreak of Covid 19, especially for business people. The more information that is disclosed on the internet, the less information asymmetry between management and external parties will ultimately increase investor confidence in investing capital in the fintech company.

There are many benefits that can be obtained from implementing IFR. One of them is as a signal from fintech companies to external parties in the form of reliable information to reduce uncertainty regarding the company's future prospects. Submitting financial information to stakeholders is very useful for the decision-making process. Even though there are many benefits that can be gained from implementing IFR both for the company itself and its stakeholders, there are still some fintech companies that do not implement IFR, because the nature of submitting financial information via the internet or website is still voluntary. (Wahyuni, Agustina and Pratiwi, (2021) .

The findings of this research are in line with technological advances, companies are using IFR disclosures as a signal of high quality disclosure, because IFR disclosures offer more flexibility in presentation and content as well as a large amount of information at a lower cost than traditional disclosures according to Allam and Lymer (2003).

The results of this research are not in line with research conducted by Lia and Maharani (2022)47, Ratna and Agus (2022)48 which explained that there was no effect of IFR on the company's financial performance.

Research Implications

Based on the results of the analysis above, this research has implications which show that:

1. Financial Technology is a new breakthrough in the world of the financial sector which is currently very widely used in the world of commerce, business and to meet society's needs. The results of this research indicate that financial

technology has an effect on financial performance. This means that the use of corporate financial technology is able to encourage and help the financial performance of fintech companies.
2. Companies that are included in the Financial Technology ranking published by the Financial Services Authority (OJK) are expected to be able to maintain and further improve fintech services in their financial services because fintech can boost financial services to become better known to the public with their convenience and sophistication. access financial services.

Research Limitations

This research has been carried out optimally to support the research objectives, but the results of this research still have limitations, namely the researcher has not been able to present control variables which are considered to be able to predict other variables which also influence the company's financial performance.

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis and discussion of research results in the previous chapter, the following conclusions were obtained:

1. Financial technology is able to improve financial performance in fintech companies registered with the Financial Services Authority (OJK) in 2018 – 2021
2. Internet Financial Reporting (IFR) is able to moderate the relationship between Financial Technology and Financial Performance in fintech companies registered with the Financial Services Authority (OJK) in 2018 – 2021.

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