

The Role of Financial Technology in Transforming Business Models in the Banking Sector

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Abstract: This research aims to explore the role of Financial Technology (FinTech) in changing business models in the banking sector, particularly at Bank Kalimantan Tengah. FinTech, as part of the digital financial industry revolution, offers a range of innovative services capable of improving operational efficiency and financial inclusion. This research uses a qualitative approach with a case study method that includes in-depth interviews, field observations, and analysis of related documents. The results show that the implementation of FinTech has successfully reduced operational costs by up to 15%, accelerated transaction processes, and provided more practical services for customers. However, significant challenges have also emerged, mainly related to uneven digital infrastructure, low digital literacy, and customer data security that still needs to be improved. The research also found that great opportunities exist through the application of FinTech, such as expanding market share, increasing financial inclusion in remote areas, and developing innovative financial service products. Future FinTech development strategies include improving digital infrastructure, strengthening information security systems, and intensive training for human resources. Strategic collaboration with non-bank FinTech companies is recommended to accelerate technological innovation and digital banking services. Thus, Central Kalimantan Bank is expected to be able to face the challenges of competition in the digital era while contributing to local and national economic growth.

Keywords: financial technology, transforming business model, banking sector

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INTRODUCTION

The development of digital technology has brought significant changes in various aspects of human life, especially in the economic and banking fields. One of the most important innovations in the digital economy is Financial Technology (FinTech), which offers more effective, efficient and inclusive financial services compared to conventional financial services. FinTech has become a key driver in revolutionizing the global financial industry by changing the way financial institutions work, expanding people's access to banking products, and increasing the speed and security of financial transactions (Tcvetova, 2020; Puschmann, 2023). Through the use of

technologies such as blockchain, artificial intelligence (AI), big data, and cloud computing, FinTech has significantly revolutionized the business model in the banking sector.

In Indonesia, FinTech development is experiencing rapid growth along with increasing internet penetration and smartphone usage. Conventional banks, including those in Central Kalimantan, face high competitive pressure and need to adapt their business models by integrating digital technology in their operations (Manawar et al., 2023). As a developing province with vast geographical conditions and some hard-to-reach areas, Central Kalimantan has its own challenges and opportunities in the application of FinTech. The role of digital technology is not only a tool to survive the competition, but also to meet customers' increasingly high expectations for the convenience and speed of financial services (Zhao-yu, 2022; Nopiah et al., 2024). The banking sector in the province has been dominated by conventional services that still rely on physical transactions at branch offices. However, the increasing needs of the community for faster and more practical banking services encourage Central Kalimantan Bank to realize the importance of digital transformation to maintain its competitiveness.

Digital transformation through FinTech is not just an option, but has become an urgent need for banks in Central Kalimantan. By adopting digital technology, banks can improve operational efficiency, reduce costs, and expand market share through more attractive services for customers (Khasanah et al., 2023). The implementation of FinTech in Central Kalimantan Bank creates new business opportunities, such as digital banking services, electronic payments, peer-to-peer lending, and technology-based risk management. In addition, FinTech can improve the financial literacy of local communities who have been less reached by conventional banking services. This change in the banking business model is also a response to shifting consumer preferences that increasingly want convenience and speed in accessing financial services. Millennials and Gen Z, as the largest market in the future, tend to prefer digital services over conventional services. FinTech can also contribute to people's financial education, helping them understand and utilize the financial products offered (Khera et al., 2022).

However, the implementation of FinTech also brings its own challenges for Central Kalimantan Bank, including regulatory issues, customer data security, digital infrastructure readiness, and the level of understanding and adaptation of employees to new technologies. In the regulatory context, banks need to align their internal policies with regulations set by the Financial Services Authority (OJK) and Bank Indonesia (Mujib, 2023) to ensure the implementation of financial technology is safe and responsible. Customer data security is also a major concern in digital transformation. Banks must be able to ensure the security of customers' personal information and protect this data from increasingly complex cyber threats (Shiau et al., 2020). Another challenge is the readiness of digital infrastructure, especially in remote areas that are not yet fully covered by a stable internet network. Banks need to work with telecommunication service providers and local governments to overcome this challenge. In addition, the level of understanding and readiness of bank employees in adopting digital technology also needs to be improved through regular training and education so that they can support the digital transformation process effectively (Sung et al., 2019).

In terms of business competition, Central Kalimantan Bank faces challenges from non-bank FinTech companies that are increasingly aggressively entering the local financial market. To remain relevant and competitive, banks must develop collaborative as well as competitive strategies with these FinTech companies. Partnerships between banks and FinTech companies can create mutually beneficial synergies, where banks benefit from technological innovation and

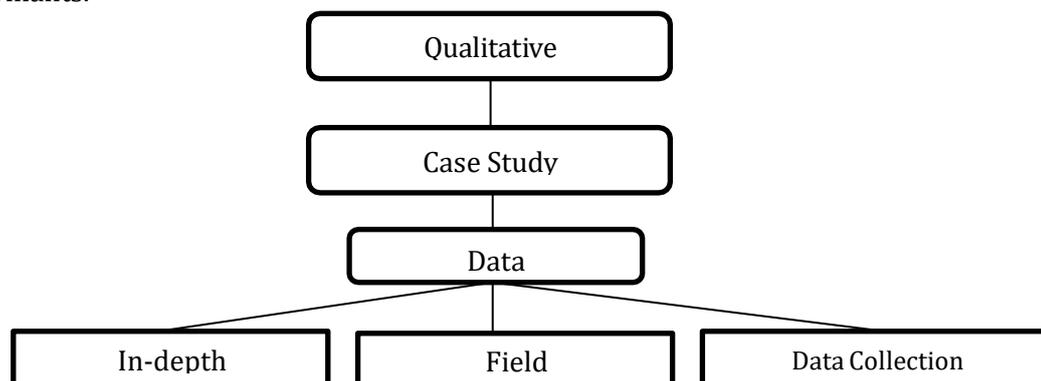
speed, while FinTech companies benefit from access to banks' broad customer base and strong regulatory support. From a customer perspective, the presence of FinTech services provides tangible benefits, such as faster transactions, cheaper service fees, and easy access to financial services without the need to visit a physical branch office. However, public awareness and trust in digital banking services in Central Kalimantan still need to be improved. Therefore, massive education and socialization on the benefits and safety of using FinTech is an important factor in the success of this digital transformation.

Against this background, research on the role of FinTech in business model transformation in Central Kalimantan Bank is relevant. This research aims to explore the impact, challenges, and strategies for effective FinTech implementation in the local banking sector. It is expected that this research can provide in-depth insights and practical recommendations for banks, regulators, academics, and business people in Central Kalimantan in welcoming the era of digitalization in the financial industry. By understanding the strategic role of FinTech, Central Kalimantan Bank can not only strengthen its business competitiveness, but also make a real contribution to economic growth and financial inclusion in the province.

METHOD

This research method uses a qualitative approach that aims to explore in-depth information about the role of FinTech in changing business models at Bank Kalimantan Tengah. This research applies a case study due to its specific focus on the bank, thus enabling a more detailed and comprehensive exploration of the digital transformation phenomenon in a real context in the field. The main source of data was obtained through in-depth interviews with bank management, operational staff, regulators such as OJK or the local branch of Bank Indonesia, and customers using FinTech services. In addition, additional data was collected through observation of bank operations and analysis of relevant internal and external documents, such as annual reports, policy documents, relevant regulations, and mass media articles.

Data collection techniques included in-depth interviews to understand stakeholders' perceptions and experiences, field observations to directly observe the use of digital technology in bank operations, and document analysis to understand FinTech policies and developments. The data obtained was analyzed using a thematic analysis approach, namely by identifying important patterns or themes from the research results which were then compiled in the form of descriptive narratives. To maintain data validity, this research applied method triangulation by combining interviews, observations, and document analysis, as well as data source triangulation by involving various informants from different management levels. In addition, the validity of the research results was strengthened by member checking, which is to validate the results of the analysis with the informants.



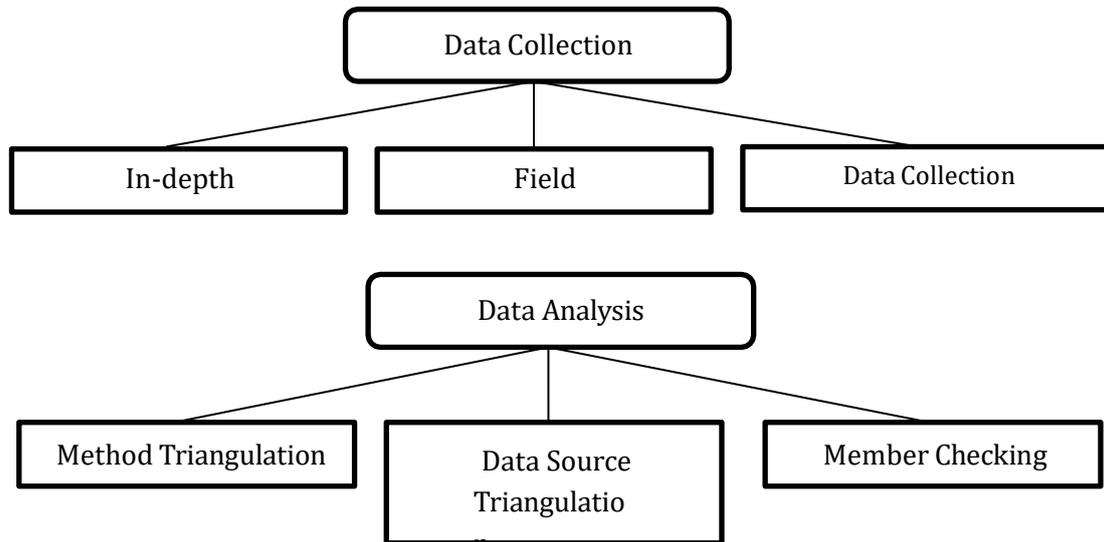


Figure 1. Research Framework

RESULTS AND DISCUSSION

Research Results

Table 1. Interview Results

Informant	Position/Title	Interview Results
Informant 1	Central Kalimantan Bank IT Manager	The bank started implementing mobile banking since 2020, facing challenges in customer education and network infrastructure.
Informant 2	Bank Kalteng Branch Manager	FinTech helps reduce operational costs, but customer data security needs improvement.
Informant 3	Central Kalimantan Bank Customer	Digital services are more practical and time-saving, but often suffer from internet interruptions.
Informant 4	Operational Staff	Requires regular training to improve competency in managing new digital technology systems.
Informant 5	Regulator (OJK Central Kalimantan)	Supporting digital transformation in banking, but emphasizing the importance of compliance with existing regulations.

This research is expected to provide in-depth insights and practical recommendations for banks, regulators, academics, and business people in Central Kalimantan in welcoming the era of digitalization in the financial industry. By understanding the strategic role of FinTech, Central Kalimantan Bank can not only strengthen its business competitiveness, but also be able to make a real contribution to economic growth and financial inclusion in the provinc.

Table 2. Field Observation Results

Aspects Observed		Findings in the Field
IT Infrastructure Availability		IT infrastructure is available at head office but limited in some remote branches.
Use of Digital Services by Customers		The majority of young customers use mobile banking; older customers still prefer in-person transactions at branches.
Technical Constraints		There were some network disruptions during peak hours, causing delays in transactions.
Employee	Interaction with New Technology	While some employees are already proficient in using technology, there are groups of employees who require additional training on a regular basis.
Customer Response to Digital Services		Customers welcome digital services, but there are still concerns regarding data security.

Table 3. Document Analysis Results

Document Type	Important Information
Central Kalimantan Bank Annual Report (2023)	The bank saw a 35% increase in the number of mobile banking users compared to the previous year.
Internal Bank Policy on FinTech (2022)	The Bank implements strict policies on customer data protection as well as FinTech regulatory compliance.
OJK Regulation No.12/POJK.03/2018 on Digital Banking Services	Emphasizes the importance of data protection, risk mitigation, and banks' obligation to educate customers about digital products.
Central Kalimantan Bank Digital Strategy Document (2024-2027)	The Bank plans to expand its IT infrastructure network and increase HR training to support digital transformation.
Evaluation Document of FinTech Implementation in Banks (Semester I, through the implementation of digital services but 2024)	The Bank managed to reduce operational costs by 15% through the implementation of digital services but faced the challenge of an uneven network.

Table 4. Triangulation of Interview Results

Research Focus	Interview	Field Observation	Document Analysis	Triangulation Conclusion
FinTech Implementation	Banks started adopting FinTech since 2020, facing the challenge of customer education.	Limited digital infrastructure in remote branches, technical glitches are common.	The digital strategy document (2024-2027) mentions plans to expand digital infrastructure.	Implementation has started but infrastructure is still uneven and needs further development.
Operational Efficiency	FinTech is able to significantly reduce operational costs.	Digital transactions increased, but network	The first semester evaluation of 2024 recorded a 15% decrease in	FinTech is effective in reducing operational costs,

		disruptions caused some operational constraints.	operational costs.	but technical obstacles need to be overcome.
Customer Data Security	Customers and management are concerned about the security of personal data.	There are customer concerns regarding digital transactions, especially the older generation.	The bank's internal policies emphasize data protection as a top priority in accordance with OJK regulations.	Data protection is an important issue, requiring improved security systems and public education.
Acceptance of Digital Services by Customers	Younger customers like digital services, older customers are still hesitant.	Observations confirm that the majority of digital service users are young customers.	The annual report shows a significant growth in digital service users of up to 35%.	Younger customers are quick to adapt, but older Customers require further education.
HR Readiness	Employees need continuous training in digital technology.	Some employees appear less skilled in using new technology.	The digital strategy document emphasizes the importance of Regular HR training.	Continuous training for human resources is necessary to support the bank's digital transformation.

From the results of the triangulation of the above methods, it can be concluded that the implementation of FinTech in Central Kalimantan Bank has been going well but still faces major challenges in terms of infrastructure equity, data security, and HR readiness. Banks need to carry out an integrated strategy to overcome these obstacles so that digital transformation can be more effective.

Table 5. Triangulation of Data Sources

Research Focus	Bank Management	Operational Staff	Customer	Regulator (OJK)	Triangulation Conclusion
FinTech Implementation	It has been implemented since 2020, but infrastructure needs development.	Facing challenges in daily operationalization due to technical constraints.	Feeling the convenience of the service, but network interruptions occur frequently.	Fully support with a record of regulatory compliance.	FinTech implementation is positive, but requires infrastructure and technical improvements.
Operational Efficiency	Cost efficiency increased	Operational processes are	Transactions are faster, but	FinTech helps with efficiency	Efficiency is improving but

Customer Data Security	significantly after the implementation of FinTech. Being a top priority, the security system is constantly updated.	faster, but training needs to be improved. There are concerns about the security of customer data in the event of technical disruptions.	technical glitches are Still a bottleneck. Customers are concerned about the Security of personal data.	but must still pay attention to operational risks. Regulations clearly emphasize the protection of customer data.	there are still technical and HR training constraints. The importance of improving data security systems that are transparent and reliable.
Acceptance of Digital Services	Very positive, but elderly customers need special education.	Younger customers predominantly use digital services, while older customers are less active.	Younger customers are very receptive to digital services, but older customers are still hesitant.	Emphasizing the importance of education and socialization.	Positive reception among the young, more socialization is needed for the elderly.
HR Readiness	The importance of intensive training for employees.	Regular training is needed to master new technologies.	Not aware of the bank's internal readiness, only experienced the results of the service.	HR training is a key factor in FinTech success.	Regular HR training is a must for long-term success.

Table 6. Member Checking (Informant Validation)

Informant	Verified Findings	Informant Response	Validation Conclusion
Central Kalimantan Bank IT Manager	FinTech implementation since 2020	Confirmed that it is already running, but requires infrastructure development.	Findings received and confirmed to be correct.
Bank Kalteng Branch Manager	Improved operational efficiency	Justified a ±15% decrease in operating costs.	Data valid, findings confirmed as true.
Operational Staff	Regular training needs for HR	Agree that regular training is needed.	Findings are confirmed to be true and considered important.
Central Kalimantan Bank Customer	Technical network constraints during transactions	Confirmed frequent network outages when using digital services.	The findings were confirmed as correct by the customer.

Regulator (OJK Central Kalimantan)	The importance of FinTech regulatory compliance	Stating that the findings are in accordance with the emphasis on the applicable regulatory aspects.	Findings are validated and confirmed as correct.
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From the results of triangulating data sources and member checking, it can be concluded that: 1) All data sources agree that FinTech implementation has had a positive impact, but there is still a need for improvement in terms of technological infrastructure, human resource training, and data security. 2) The research findings have been verified and validated through member checking, which strengthens the validity of the research data.

Discussion

Impact of FinTech Implementation on Central Kalimantan Bank's Business Model

The implementation of FinTech has had a significant impact on the transformation of Central Kalimantan Bank's business model, especially in terms of banking operations and service efficiency. Prior to the presence of FinTech, bank operations still relied on conventional methods involving face-to-face transactions at physical branches. With the implementation of digital services such as mobile banking, the transaction process becomes faster and more efficient, thus reducing long queues and customer waiting times (Nkatekho, 2024). This is in line with the literature stating that digital transformation in banking, including the application of FinTech, clearly improves operational efficiency (Wang, 2024; Wu, 2023). In addition, digitization of services can also substantially reduce operational costs. For example, document printing and administrative costs can be significantly reduced. Interviews with the bank revealed that the implementation of FinTech contributed to a reduction in operating costs of about 15% (Nkatekho, 2024), as confirmed through the analysis of evaluation documents for the first semester of 2024. This finding supports previous research showing that the integration of FinTech into the banking system helps reduce costs and improve performance (Li, 2024).

However, FinTech implementation is not free from technical challenges, especially in terms of digital infrastructure. Field observations found that remote areas in Central Kalimantan still experience problems with stable network access, which often causes digital transactions to be disrupted. This needs attention from banks and telecommunications network providers to ensure digital financial services can be accessed evenly. In addition to infrastructure, human resource readiness is also a challenge for Central Kalimantan Bank. Interviews with operational staff show that intensive training is needed to make employees more competent in using the new technology implemented by the bank. The right training strategy will be key to improving employee competencies to effectively utilize digital innovations (Li et al., 2022), as affirmed in the bank's digital strategy document which emphasizes the importance of regular training for employees.

The change in the bank's business model has also been responded positively by customers, especially the younger generation who are more adaptive to technology. Interviews with customers show that digital services are considered more practical and efficient than traditional services. However, older customers still show resistance to these changes and require more intensive education and socialization to adapt to digital services. In terms of regulation, OJK fully supports the implementation of FinTech under the condition of compliance with applicable

regulations. Analysis of OJK regulatory documents emphasizes the importance of risk mitigation and customer data protection as critical elements in the implementation of financial technology.

Thus, the transformation of business models through the implementation of FinTech at Bank Kalimantan Tengah has shown positive results in improving efficiency, reducing operational costs, and providing convenience for customers. However, various challenges, such as uneven digital infrastructure, human resource readiness, and resistance from some customers, still need to be overcome so that the benefits of this digital transformation can be more widely felt by all stakeholders.

FinTech Development Strategy in Central Kalimantan Bank Going Forward

Central Kalimantan Bank's future FinTech development strategy should focus on three main aspects: digital infrastructure improvement, customer data security, and human resource competency improvement. The bank should work with telecommunication service providers to ensure a stable and evenly distributed internet network to remote areas, in order to optimize the digital services provided to customers. Improving digital infrastructure is very important, considering the number of customer complaints related to network disruptions when using mobile banking services (Sugihyanto & Arsjah, 2023). Therefore, investment in digital infrastructure and collaboration with telecommunications service providers is a strategic step in increasing customer satisfaction and loyalty (Brunetti et al., 2020).

In addition to digital infrastructure, customer data security is a top priority that banks need to pay attention to. Banks must continuously update their digital security systems in accordance with international security standards and national regulations set by OJK. Research shows that compliance with international security standards contributes to stability and trust in the banking sector (Uddin et al., 2020). Therefore, the implementation of advanced security technologies and regulatory compliance are fundamental steps in the development of digital banking services. To strengthen this aspect, banks also need to socialize and educate customers on the importance of maintaining personal data security in using digital services. This education must be carried out regularly through various communication media, both in person and through digital platforms, to increase digital literacy and reduce the risk of data misuse by irresponsible parties (Brunetti et al., 2020).

In addition to data security, improving human resource competencies is also a crucial aspect of FinTech development. Banks need to provide intensive training programs for employees, especially in the use of the latest technology and digital risk management. This training not only improves employee competence but also ensures that digital service operations are optimized (Hasibuan & Aisyah, 2023). With structured training, bank employees can be better prepared to face the challenges of digitalization and be able to provide the best service to customers.

In addition, collaboration with external parties such as non-bank FinTech companies can also be an effective strategy in accelerating the process of innovation and development of digital services. This strategic partnership allows banks to adopt the latest technology quickly and efficiently, while expanding digital services to customers in a more varied manner (Chen et al., 2021). With this collaboration, Bank Kalimantan Tengah can increase its competitiveness in the digital banking sector and accelerate a more inclusive digital transformation.

Overall, Central Kalimantan Bank's FinTech development strategy should be holistic and integrative. By implementing the right strategy in three main aspects-enhancing digital infrastructure, data security, and human resource development-banks can strengthen their

competitive position in this digitalization era while providing real benefits for economic growth and financial inclusion in the Central Kalimantan region.

Challenges of FinTech Implementation at Central Kalimantan Bank

The main challenge in the implementation of FinTech in Central Kalimantan Bank is the limitation of adequate information technology infrastructure. Central Kalimantan's vast territory with many remote areas makes it difficult to provide stable and fast internet network access. Field observations show frequent network disruptions, which significantly affect the quality of digital services provided to customers. According to research by Alfiana et al. (2023), inadequate infrastructure can limit the adoption rate of more innovative FinTech products, especially in areas with limited access to technology.

In addition, the low level of digital literacy among the public, especially among the elderly, is an important barrier to the utilization of digital services. Based on interviews, some customers still experience difficulties in using digital applications, which results in low participation in FinTech services. Aditya and Mahyuni (2022) revealed that limited understanding of technology can hinder people's interest in adopting digital financial systems. Therefore, more intensive education and socialization are needed so that this service can be utilized optimally by all levels of society.

Data security is also a major concern. The results of interviews with bank management and customers show serious concerns regarding the potential leakage of personal data due to cyber attacks. This is in line with the findings of Mulyana et al. (2024), who emphasized that increased investment in more sophisticated security systems is essential to increase customer trust in FinTech services. Strong security and reliable data protection systems are key factors in ensuring the sustainability of digital services in the banking sector.

In addition, competition with non-bank FinTech companies is increasing, creating additional pressure for Central Kalimantan Bank. FinTech companies are able to offer services at lower costs and faster than conventional banks, as described by Tsakila et al. (2024). This requires banks to be more innovative in creating competitive services to remain relevant in an increasingly dynamic market.

Human resource readiness is also an important challenge in FinTech implementation. Not all bank employees are ready and competent in operating new technology, so intensive and periodic training programs are needed. Wahyudi and Wicaksono (2023) highlighted that the uneven competence of employees in using digital technology is an obstacle that must be overcome through continuous training. In addition, changes in organizational culture are also needed to support digital transformation. Employees and management need to adopt a mindset that is open to technological innovation in order to adapt to existing developments.

Lastly, cross-sector collaboration, particularly with technology service providers and regulators, must continue to be enhanced to overcome the various challenges in FinTech implementation. With good synergy between various stakeholders, Central Kalimantan Bank can face these challenges more effectively and ensure more inclusive and safe digital services for the community.

FinTech Implementation Opportunities for Central Kalimantan Banks

The implementation of financial technology (FinTech) brings great opportunities for Central Kalimantan Bank in improving financial inclusion, especially in remote areas that were

previously difficult to reach. By utilizing digital technology, banks can reach more people and expand market share significantly (Kitsios et al., 2021). This easier and more flexible access to financial services enables an increase in the number of customers as well as banking transactions in areas that previously faced limited financial infrastructure.

In addition, service digitization also has a positive impact on operational efficiency. Banks that adopt digital services are able to reduce operational costs, speed up transactions, and increase employee productivity through automation and optimization of business processes (Mbama & Ezepeue, 2018). These efficiencies allow banks to allocate the saved resources into developing new services or improving the quality of services that are more innovative and responsive to market needs.

On the other hand, the presence of FinTech opens up opportunities for banks to develop more innovative financial products and services. Products such as technology-based lending, digital investment services, and artificial intelligence-based financial consulting can improve customer experience in a more personalized and effective way (Mishra & Jadhav, 2020). With these innovations, banks can not only increase customer satisfaction and loyalty, but also strengthen their competitiveness in an increasingly competitive banking industry.

From a customer perspective, digital services provide greater convenience and flexibility in accessing banking services anytime and anywhere without having to visit a branch office (Khan et al., 2023). This convenience contributes to increased customer loyalty, which is an important factor in maintaining long-term relationships between banks and customers. In addition, analytical data obtained from the use of digital services can be utilized to understand customer preferences and needs more deeply, so that marketing strategies can be made more targeted.

The implementation of FinTech also strengthens Central Kalimantan Bank's reputation as a modern financial institution that is adaptive to technological developments. In facing competition in the digital era, banks can establish strategic collaborations with non-bank FinTech companies to accelerate the adoption of new technologies and expand their digital service networks (Felix & Sugiat, 2024). This partnership not only improves the competitiveness of banks, but also creates synergies that benefit both parties in providing more sophisticated and inclusive financial services. Overall, the implementation of FinTech at Bank Kalimantan Tengah not only helps improve financial inclusion and operational efficiency, but also enables the development of innovative financial products, increases customer loyalty, and strengthens the bank's competitiveness in local and national markets. With the right strategy, banks can continue to thrive in the face of challenges and opportunities in the digital transformation era.

Strategic Recommendations for Optimizing FinTech Implementation

Bank Kalimantan Tengah is advised to strengthen its information technology infrastructure by establishing strategic cooperation with telecommunication service providers to ensure the stability and quality of the internet network, especially in remote areas. In accordance with the guidelines from the Ministry of Communication and Information of the Republic of Indonesia (2023) regarding the development of internet networks in remote areas, this collaboration can help accelerate equal distribution of digital access and support financial inclusion throughout the bank's operational areas.

In addition, increased investment in information security systems and customer data protection is crucial. Based on regulations set by the Financial Services Authority (2021) regarding cybersecurity in the financial services sector, banks need to implement strict security

standards to protect customer data from potential cyber threats. This step is also in line with the PwC report (2023) which highlights the importance of digital risk mitigation in the banking industry to remain competitive in the era of digital transformation.

In order to improve digital literacy, banks need to conduct intensive education and socialization programs on the benefits and how to use digital services. This program can be conducted through various communication channels, both online and in the field. Bank Indonesia (2022) in its report on the status of digital banking in Indonesia also emphasized that customer education is one of the main factors in increasing the adoption of digital financial services and expanding the reach of banking services. In addition, regular and comprehensive training for employees is also needed to ensure they have adequate competence in supporting the digital technology operations implemented.

To expand services and improve competitiveness, banks are encouraged to develop product innovations based on digital technology, such as online lending services, digital investment, and service personalization using artificial intelligence (AI). A report from the World Economic Forum (2022) revealed that the use of AI in the financial industry can improve operational efficiency and deliver a more personalized and adaptive customer experience. In line with this, collaboration with non-bank FinTech companies needs to be strengthened to enable faster adoption of the latest technology, enable product diversification, and create more attractive financial services for customers.

On the internal side, banks need to encourage a culture of innovation within the organization through internal campaigns and incentivizing employees who contribute to technology development. This step will accelerate the digital transformation process and increase the involvement of all elements of the organization. Finally, regular evaluations of FinTech implementation should be conducted to ensure that the strategies implemented remain relevant to technological developments and changing market needs. This is in line with the findings of PwC (2023) which emphasizes that continuous evaluation of digital initiatives is essential to ensure the sustainability and effectiveness of banks' digital strategies in the future.

CONCLUSIONS

The implementation of Financial Technology (FinTech) in Central Kalimantan Bank has had a positive impact on the transformation of the bank's business model, especially in improving operational efficiency and accelerating the service process to customers. The digitization of financial services has reduced operational costs by up to 15%, accelerated transactions, and provided a better customer experience compared to traditional methods. However, this implementation also faces significant challenges, mainly related to uneven internet network infrastructure, low digital literacy of some people, and customer data security issues. Inadequate technology infrastructure in remote areas causes technical constraints and disruptions in digital services, which require serious attention from banks and related partners. On the other hand, the implementation of FinTech opens up great opportunities for Central Kalimantan Bank to improve financial inclusion in the region.

With digital services, the bank is able to reach remote communities, expand market share, and increase the number of banking service users. Strategic collaboration with FinTech companies is also an important opportunity to accelerate the adoption of the latest technology and service innovations. Future FinTech development strategies should focus on improving the quality of digital infrastructure, strengthening data security, and developing human resource

competencies on an ongoing basis through intensive training. Public education on the benefits and security of digital services needs to be carried out regularly to increase public trust. Overall, the implementation of FinTech is a strategic step for Central Kalimantan Bank to face the challenges of the digital era, maintain business competitiveness, and contribute to economic growth and financial inclusion in Central Kalimantan Province.

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