

## CHAPTER V

### CONCLUSIONS AND RECOMMENDATIONS

#### 5.1. Conclusions

The purpose of this research is to find out the difference before and after the emergence of Fintech on Non-Performing Loan (NPL), Return on Asset (ROA), Loan to Deposit Ratio (LDR), and Net Loan to Total Asset Ratio (NLTA) conducted in rural banks. The sample is collected by purposive sampling and the analysis technique used in this research is Paired Sample T test and Wilcoxon Signed Rank test.

Based on the analysis and discussion from the previous chapter, the research results can be concluded as follows:

1. Fintech caused negative difference on NPL before and after the emergence. Therefore, the first hypothesis in the research stated that there is a negative difference before and after the emergence of Fintech on NPL in the rural bank is accepted. This result shows that Fintech affect the condition of NPL in rural banks. Thus, rural banks have to change their business strategies to become modern or take advantage of the emergence of Fintech to avoid an increase in NPL.
2. Fintech caused negative difference on ROA before and after the emergence. Therefore, the second hypothesis in the research stated that there is a negative difference before and after the emergence of Fintech on ROA in the rural bank is accepted. This result shows that Fintech affect the worsening condition of return on asset in rural banks. It can be caused by the debtor does not perform a credit refund, so rural credit banks are more careful in giving credit to avoid bad credit condition and this causes a decline in profit. Thus, the emergence of Fintech makes a difference to the financial condition in rural banks.

3. Fintech does not cause negative differences on LDR before and after the emergence. Therefore, the third hypothesis in the research stated that there is a negative difference before and after the emergence of Fintech on LDR in the rural bank is rejected. These results indicate that Fintech does not effect on LDR in rural banks significantly, because of rural banks are still able to expand their business and LDR in rural banks are still at normal level. Thus, it can improve profitability of rural banks in expanding their business. In addition, the emergence of Fintech can help rural banks to make their business strategies more modern by collaborating.
4. Fintech does not cause negative differences on NLTA before and after the emergence. Therefore, the fourth hypothesis in the research stated that there is a negative difference before and after the emergence of Fintech on NLTA in the rural bank is rejected. These results indicate that Fintech does not effect on NLTA in rural banks significantly, because only a few asset of rural banks which bound in the loan. Furthermore, the debtors still take loans in rural banks.

## 5.2. Research limitations

1. This research only takes the sample number which were fairly small (50) from total rural bank 1.598 and only takes the rural bank that has asset of 25 million rupiahs to 1 trillion rupiahs in 2018.
2. The data to calculate the variable is taken for 1 year, therefore it does not cover all data in each month.
3. Independent variables in this research focus more on Non-Performing Loan (NPL), Return on Asset (ROA), Loan to Deposit Ratio (LDR), and Net Loan to Total Asset Ratio (NLTA). Therefore, the research test does not cover all indicators in asset quality ratio, profitability ratio, and liquidity ratio.
4. This research only focus in the differences before and after the emergence of Fintech.

### 5.3. Recommendations

After looking at the conclusions and limitations of this research, the researcher proposed suggestions for further research as follows:

1. Future researcher can take more sample number, therefore it can cover many rural banks and the result can be more accurate.
2. The data used for calculation can be using monthly or quarterly in order to get a better result.
3. Use more independent variables to obtain more complex results in calculating variables, therefore the results obtained are more effective.
4. Future research can look for the relationships between variables on NPL, ROA, LDR, and NLTA

