

**THE IMPACT OF FINANCIAL TECHNOLOGY
ON COMMERCIAL BANKS: EVIDENCE FROM
CHINA**



ZHOU TIAN XIANG

UMMS
UNIVERSITI MALAYSIA SABAH

**FACULTY OF BUSINESS, ECONOMICS AND
ACCOUNTANCY
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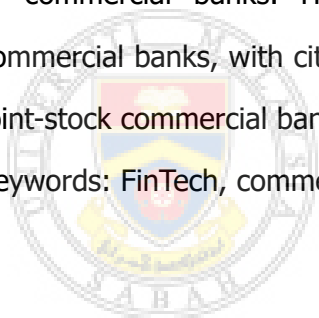
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ABSTRACT

Financial technology (i.e., FinTech) employs advanced scientific and technological tools to create innovative products and services for financial institutions. However, the rapid advancements in FinTech have affected traditional banks' operations. This study aimed to investigate the impact of FinTech on impact on commercial banks in China. Drawing on previous literature and empirical evidence, annual financial data was collected from 23 local commercial banks in China covering the period from 2011 to 2020. The data was analyzed using a dynamic panel data model (i.e., GMM). The findings suggest that FinTech has an overall positive impact on the return on assets of commercial banks. However, this impact varies across different types of commercial banks, with city commercial banks being the least affected, followed by joint-stock commercial banks and large state-owned commercial banks.

Keywords: FinTech, commercial bank, financial technology, Chinese banks



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ABSTRAK

KESAN TEKNOLOGI KEWANGAN TERHADAP BANK PERDAGANGAN: BUKTI DARI CHINA

Teknologi kewangan (iaitu, FinTech) menggunakan alat saintifik dan teknologi maju untuk mencipta produk dan perkhidmatan yang inovatif untuk institusi kewangan. Walau bagaimanapun, perkembangan pesat dalam FinTech telah menjejaskan operasi bank tradisional. Kajian ini bertujuan untuk menyiasat kesan FinTech terhadap pembangunan institusi kewangan di China. Berdasarkan literatur terdahulu dan bukti empirikal, data kewangan tahunan dikumpul daripada 23 bank komersial tempatan di China meliputi tempoh dari 2011 hingga 2020. Data tersebut dianalisis menggunakan model data panel dinamik (iaitu, GMM). Penemuan menunjukkan bahawa FinTech mempunyai kesan positif secara keseluruhan terhadap pulangan atas aset bank komersial. Namun demikian, kesan ini berbeza merentas jenis bank komersial, dengan bank komersial bandar paling kurang terjejas, diikuti oleh bank komersial saham bersama dan bank komersial besar milik kerajaan.

Kata kunci: FinTech, Bank Komersial, Teknologi Kewangan, Bank China