

The Impact of Financial Technology(FinTech) on the Profitability and Efficiency of Commercial Banks with Special Ref. to HDFC Bank

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Abstract: *The proliferation of Financial Technology (FinTech) has redefined the traditional landscape of commercial banking, particularly in emerging economies like India. This study investigates the impact of FinTech adoption on the profitability and operational efficiency of commercial banks, focusing on HDFC Bank as a representative case. Using secondary data from FY 2014 to FY 2023, the study analyzes financial indicators such as Return on Assets (ROA), Return on Equity (ROE), Net Profit, Cost-to-Income Ratio, and technology spending. The findings reveal a significant positive relationship between FinTech development and key profitability metrics. Operational efficiency improved as a result of increased digital transaction volumes, cost reduction via automation, and investment in technological infrastructure. The results suggest that FinTech acts as both a performance enabler and a strategic imperative for banks. The paper concludes with actionable recommendations for bank executives and policymakers, and suggests directions for future research.*

Keywords: FinTech, HDFC Bank, profitability, ROA, ROE, operational efficiency, digital banking, commercial banks, cost-to-income ratio, India

