

Dear Editor:

We wish to submit a new manuscript titled “Implications of Fintech developments for traditional banks” as an original research article for consideration by *International Journal of Economics and Financial Issues*. We confirm that this work is original, and it has neither been published elsewhere nor is under consideration for publication elsewhere.

The growth of financial technology (FinTech) has created Internet-only banking. However, we were concerned regarding the effects of Internet-only banking entering financial markets on traditional banks. We discussed two stages, namely before and after the entry of Internet-only banking into the financial market. Data envelopment analysis and regression methods were used to evaluate efficiency and performance and observe changes between banks in different periods. We focused on the following topics: (1) whether overall efficiency can be improved through competition, (2) which financial indicators have changed profits during financial reform, and (3) whether the main profit source for banks will shift from interest on loans to noninterest income as the financial market diversifies.

The highlights of our findings are as follows: First, after Internet-only banking entered the financial market, the overall efficiency of banks has improved, particularly in profitability efficiency. Second, in the era of low-interest spreads, banks are diversifying operational income while improving performance and efficiency. Moreover, the overall efficiency of WeBank was higher than that of regional banks. Furthermore, with the development of FinTech and competitive pressure, banks should downsize to strengthen their competitiveness and improve their internal environments. Finally, operating income generated by employees has increased, but profits have decreased, implying that employees are highly skilled and efficient. Thus, banks may be required to offer higher salaries, which reduce profits.

We believe that our findings are relevant to your journal’s scope and will be of interest to its readership. Thank you for considering our paper, and we look forward to receiving comments from referees and hopefully publishing our paper in *International Journal of Economics and Financial Issues*.

Sincerely,

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