

Financial Performance Analysis of Peer-to-Peer Lending Technology Based Financial Services (Fintech)

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Date of Submission: 20-09-2023

Date of Acceptance: 30-09-2023

ABSTRACT: Peer to Peer Lending technology-based financial services (Fintech) or legal online loans in Indonesia. The type of research used is qualitative research, using descriptive methods. The data is presented in descriptive form without being processed using data reduction analysis techniques, data presentation and drawing conclusions. With this research, it is hoped that we will obtain information about the financial performance of the financial technology services (Fintech) industry with legal Peer To Peer lending in Indonesia. The research results show that the TKB90 of companies engaged in peer-to-peer lending activities is in the range of 97% with TWP90 in the range of 2.81%. The ROA level of P2P Lending companies from January to March continued to increase, from 0.79% in January to 3.24% in March. In terms of ROE, P2P Lending companies also increased from 1.66% in January to 7.15% in March.

KEYWORDS:P2P Lending, Fintech, Pinjol

I. INTRODUCTION

The era of industrial revolution 4.0 is an era of digitalization, where technology is an important key in facing competition in the business world. The current development of digitalization makes everything feel easy, including financing. One of the technology-based financial services (Fintech) is Peer To Peer Lending or online loans. The presence of Fintech financial services offering digital-based financial products seems to open new loan doors for people who want to apply for loans. This is in contrast to conventional bank loan services offered by banks or cooperatives. Fintech peer to peer (P2P) lending or online loans is certainly not a bad and scary thing that should be avoided, because the aim of fintech is actually very good, namely to make it easier for people to access financial products and simplify the transaction

process, with the use of technology. Currently, the development of various Fintechs offering peer to peer lending (P2P Lending) loan products or online loans that can be applied for easily and without complicated requirements, as well as fast and easy, means that Fintech has become very popular among the millennial generation and is predicted to continue to grow.

In Indonesia, the existence of Fintech peer to peer lending or online loans is on the rise because interest in using financial service technology called online loans continues to increase every year due to OJK Regulation Number: 77/pojk.01/2016 Regarding Technology-Based Money Lending and Borrowing Services Information (LPMUBTI). This is proven by data from the Financial Services Authority (OJK) for the period 20 January 2023 that currently there are 102 legal and 50 illegal online financial services industries.

The Financial Services Authority (OJK) said that the performance of the peer-to-peer (P2P) lending or online loan (pinjol) financial technology industry is still recording growth until November 2022 with outstanding financing reaching IDR 50.30 trillion. OJK Chief Executive of Non-Bank Financial Industry Supervision (IKNB) Ogi Prastomiyono said that outstanding P2P lending fintech financing experienced growth of 72.7 percent on an annual basis (year-on-year/yoy). Meanwhile, on a monthly basis, this value increased by IDR 0.96 trillion from the position in October 2022 which was worth IDR 49.33 trillion. The performance of fintech peer-to-peer lending in November 2022 still recorded growth with outstanding financing growing by 72.7 percent yoy, and increasing by IDR 0.96 trillion compared to the position as of October 2022 to IDR 50.30 trillion. In detail, the value of outstanding payments in the financial technology industry continues to grow

from year to year and month to month. In the December 2020 period, for example, outstanding fintech P2P lending financing was only recorded at IDR 15.32 trillion. This value then continued in December 2021, achieving outstanding financing of IDR 29.88 trillion. Meanwhile, the aggregate credit risk level or default rate (TWP90) in the fintech P2P lending industry was recorded to have decreased to just 2.83% in November 2022, down 0.07 percent from the October 2022 period of 2.90%. "In the period ending December 2022, outstanding financing grew double digits, namely 71.09% on an annual basis to IDR 51.12 trillion with relatively good financing quality at 2.78%,"

This research refers to previous research, namely research by Risma Kartika, et al entitled Analysis of Peer to Peer Lending in Indonesia in 2019 showing that Peer to Peer Lending (P2P) can help develop MSMEs from a financial perspective, especially in the field of financing and research by Edisah, et al entitled Financial Performance Financial Technology (Fintech) in Indonesia: Analysis of the Impact of Covid-19) in 2022 shows that the financial performance of technology (Fintech in Indonesia, seen from financial performance, is not very optimal. Research by Bella Marcelina Putri and Handoyo Wibisono in 2022 with the title Financial Technology in Indonesia: Effect of Risk on Financial Performance in Peer-To-Peer Lending shows that solvency risk projected by DAR, DER, and CAR is proven to influence the profitability of peer-to-peer lending in Indonesia which is projected by both ROA and ROE. that the financial performance of Peer to Peer lending technology (online loans) can be measured from Return on Assets (ROA) and Return on Equity (ROE).

In line with the development of financial technology (Fintech) in Indonesia, the fintech P2P lending industry in 2022 in aggregate will still record losses after tax and data from the Financial Services Authority (OJK) shows that in March 2023 there were 23 online loan companies or peer-to-peer financial technology loans. (P2P) lending has a default rate above 5%, so the author formulates the problem, namely how to analyze the financial performance of Peer To Peer Lending

II. METHODS

The object used by researchers in the research is the Peer to Peer lending financial technology services industry which is registered with the Financial Services Authority (OJK). Then in this research the researchers took a legal sample of 102 based on OJK statistical data for the period December 2022 to March 2023.

The research method that researchers use in this research is a type of qualitative research which involves conducting research without using statistical data. Qualitative research methods are often called naturalistic research methods (Sugiyono: 2017). Qualitative research methods are carried out in natural conditions directly to the data source. More qualitative research is descriptive in nature and the data collected is in the form of words or images, so it does not emphasize numbers (Sugiyono: 2017). Judging from the characteristics of the problem, this type of research includes case study research with problem characteristics that are closely related to the background and conditions of the object being studied. In this research, qualitative methods are used to research in depth and describe the development of the financial performance of 102 technology service industries. financial (Fintech) Peer to Peer Lending (Online loans) legal for the period December 2022.

The research we conducted used secondary data in the form of statistical data on the financial performance of the financial technology services (Fintech) industry, legal online loans (Peer to Peer Lending) registered with the Financial Services Authority (OJK) as many as 102. The type of data used in this research is qualitative data. and quantitative developments in the performance of legal online lending Fintech (Peer to Peer Lending) registered with the OJK.

The data analysis technique that researchers use is qualitative descriptive analysis. Where the data obtained is described so that it can provide clarity according to the reality in the field. The following are the stages of analysis carried out in this research (Sugiyono: 2013).

III. RESULT AND DISCUSSION

Based on data from the Financial Services Authority (OJK), financing for the fintech P2P lending sector in March 2023 increased by 8.29% from the previous month to IDR 19.74 trillion. Even so, the Chief Executive of the OJK Insurance, Guarantee and Pension Fund Supervisory Agency, Ogi Prastomiyono, said that when compared with the previous period, namely March 2022, which was able to reach IDR 23.07 trillion, this figure was recorded as smaller. Second, the portion of P2P Lending funding distribution to the consumer sector is the largest, which accounts for 60.03% of total industrial distribution in March 2023. This figure has increased compared to February 2023 which only reached 59.33% or in December 2022 which only reached 57.96%.

Regarding this achievement, the author analyzes that the P2P lending industry will

continue to grow in 2023 considering that the need for funding in Indonesia is still very broad and cannot be fully met by existing financial service institutions. Currently, the steps taken by the OJK, namely the Chief Executive of Insurance Supervision, the OJK Guarantee and Pension Fund Institution, Ogi Prastomiyono, in strengthening P2P lending, namely encouraging cooperation and collaboration with the banking sector, other financial services industry (IJK), and non-institutions. other financial services, OJK is also encouraging the P2P Lending sector through POJK 10/2022 where there is a larger funding portion of up to 75% if the funder is a financial services business actor supervised by OJK. Based on data from the Financial Services Authority (Indonesian Fintech Lending Statistics, 2023) the results of the financial performance analysis of Fintech Peer to Peer Lending in Indonesia can be seen from several factors.

Return on assets (ROA) is a measure of the ability of a company's assets to generate net profits. ROA is an important indicator to determine the operational efficiency of a business. ROA above 5% is considered a pretty good figure. The higher the Return on Assets (ROA), the higher the net profit generated from each rupiah of funds embedded in total assets. By knowing ROA we can assess whether the company is efficient in using its assets in operating activities to generate profits.

The financial performance of fintech peer to peer lending providers is in table 4.3.7. above, if you look at the return of assets (ROA) it shows that in 2022, namely November (-2.27%) and December (-0.72%) then in 2023 January (0.79%, February (1.53%) %, and March (3.24%). This proves that up to December the ROA value was still negative and in 2023 the ROA value will be positive.

The return on assets is still negative, meaning the assets capability of the fintech peer to peer lending industry in 2022 in generating profits it is still lacking, then the year is still far below the standard and from January to March 2023 ROA has increased but is still below 5%.

This means that the value of return on assets of fintech peer to peer lending providers in 2023 shows that everyone rupiah of company assets is able to generate net profits in January (0.79%), February (1.53%), and March (3.24 %).

Return On Equity (ROE) is a measure of a company's ability to generate net profits based on certain capital. The higher the ROE, the higher the return on investment. A good standard ROE value must be above 8.32% , if the value is above 8.32% it means the ROE value can be categorized as

good, and conversely if the ROE value is below 8.32% it means the ROE value can be categorized as bad.

The financial performance of fintech peer to peer lending providers in OJK statistics regarding return of assets (ROE) up to December 2022 still shows negative, namely -1.3 and in 2023 it starts to show an increase, namely January (1.66%), February (3, 29%), and March (7.15%) because net profit in January (21.10%) February (48.73%), and March (109.94%) 2023 continues to increase.

The conclusion is that Fintech peer to peer lending providers in 2023 will be able to generate net profits in January (1.66%), February (3.29%), and March (7.15%) from total equity. This means that every rupiah of the Company's equity is able to generate net profits of January (1.66%), February (3.29%), and March (7.15%). Based on this analysis, the return on assets (ROE) level is still below 8.32% or not good.

Operational Expenses to Operational Income or abbreviated as BOPO is a company profitability ratio that compares operational expenses to operational income. According to Bank Indonesia Regulation no. 13/1/PBI/2011, the best standard for the ratio of Operational Costs to Operating Income (BOPO) is around 80% .

Based on statistical data from the Financial Services Authority (OJK) table 6, currently the performance of the financial technology (fintech) peer to peer lending industry or online loan business (pinjol) is starting to improve. This is reflected in the level of operational costs, operational income (BOPO) in 2022 in November (99.24%) and December (97.78%) while in 2023 in January (89.16%), February (89.16%)) and March (87.36) means that from January to March 2023, the BOPO level of the fintech lending industry was observed to be more efficient because it was already showing profits.

IV. CONCLUSION

Based on the results and discussion, the author draws the following conclusions:

1. For the period March 9 2023, there are 102 fintech companies licensed and registered with the Financial Services Authority, consisting of 95 conventional providers and 7 sharia providers.
2. The average 90 day success rate (TKB90) shows that up to the March 2023 period, the success rate of peer-to-peer (p2p) lending companies in providing facilities for settling borrowers' loans between recipients and

lenders within a period of up to 90 days from maturity. above 97%.

3. The average for the March 2023 period, the TWP90 Fintech Peer to Peer Lending figure of 2.81% is still considered safe because it is still below 5%. An increase in the TWP90 ratio means a decrease in the TKB90 ratio, which is the basic reference for fintech lending in completing funding.
4. Return of assets (ROA) of fintech peer to peer lending providers in 2023 shows that every rupiah of Company assets is able to generate net profits in January (0.79%), February (1.53%), and March (3, 24%).
5. Return of equity (ROE) fintech peer to peer lending providers in 2023 it will be able to generate net profits in January 1.66%), February (3.29%), and March (7.15%) from total equity. for every rupiah of the Company's equity, it was able to generate net profits of 1.66% in January , 3.29% in February, and 7.15% in March.
6. Operating expenses operating income (BOPO) of fintech peer to peer lending providers in 2023 in January (89.16%), February (89.16%) and March (87.36) means that from January to March 2023 the industry's BOPO level Fintech lending has been observed to be increasingly efficient because it has shown profits.

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