THE EMERGENCE OF PEER-TO-PEER LENDING IN INDONESIA: A STUDY OF RISK MANAGEMENT ANALYSIS ON CONVENTIONAL BANKING COMPANIES

YESAYA EGLESIAS PAULUS

School of Business and Management, Institut Teknologi Bandung, Indonesia
E-mail: yesaya@sbm-itb.ac.id

Abstract - Peer-to-peer lending has been growing since 2005 in the U.S., but in Indonesia the first peer-to-peer lending has just emerged recently in 2016. Peer-to-peer lending fintech companies are able to perform the credit lending service in a more efficient and satisfactory way for customers compared to conventional bank. Some findings have shown that peer-to-peer lending fintech is able to disrupt and snatch conventional bank's market share. Since the technology is still new in Indonesia, this study aims to understand peer-to-peer lending business in its comparison with conventional banking, and to identify and analyze probable business risks in conventional banking companies regarding the emergence of peer-to-peer lending in Indonesia. The data is collected through questionnaires and from the websites of banking and peer-to-peer lending fintech companies. The identified risk will then be analyzed using analytical hierarchy process (AHP) to measure the importance of each risk.

Keywords - Banking, Fintech, Peer-To-Peer Lending, Risk Management, Analytical Hierarchy Process.

I. INTRODUCTION

Fintech or financial technology is currently growing fast in Indonesia. According to the data obtained from [4], the number of fintech start-ups in Indonesia by the end of 2016 had reached 120 start-ups. The incremental percentage of fintech start-ups from the prior year to 2016 is pretty significant, which is 78%. While by the end of 2017 the number of fintech start-ups is estimated around 188 to 196, which is around 39% increase. These start-ups utilize technology in their business process in giving better financial services. Fintech serves various types of consumer: from individuals to companies, and from Micro, Small, & Medium Enterprises (MSMEs) to big corporates and governments. Reference [8] defines fintech companies as organizations that combine innovative business models and technology to enable, enhance, and disrupt financial services. In their research, [25] concludes that data-based financial innovations (like fintech) have been recognized as disruptive force that will reshape the financial service sector. While Bank of Indonesia in [4] defines Fintech as a phenomenome of a merging between technologies and financial features that transforms business model and weakens barrier-to-entry which makes the number of unregulated players who run financial services business to increase. In other words, the utilization of technology has enabled many new players to offer financial services that usually only offered by conventional financial institutions, and there is possibility that the new players will disrupt the existing financial service industry.

One of the financial services that might be disrupted by the development of fintech companies in Indonesia is credit lending service. Credit lending service is the main business of conventional banking companies, but by utilizing the right technology now fintech can also perform that service. Moreover, many fintech companies can do it in a more efficient and satisfactory way for consumer by using peer-to-peer lending (P2PL) business model [24]. These P2PL fintech companies developed an innovative peer lending platform that able to match money borrowers and lenders directly [24], so intermediary third-party like banks is no longer needed as much, and makes fintech companies have lower cost than conventional banks in running the business [7]. By eliminating bank's role as an intermediary in the lending process, borrowers can also pay less interest compared to borrowing from conventional banks while lender can have greater return compared to depositing their money in conventional banks [25].

In the United States, based on the research conducted by [6], since the second-quarter of 2007 until 2013 the total amount of money lent through bank loans to borrowers has been declining on average 2% per quarter and the total amount lent through bank's credit card has been declining on average 0.7% per quarter. On the other hand in the same period, the number of peer-to-peer (P2P) loan has been growing rapidly with growth average of 84% per quarter. That scenario has made the total number of loan made in America through peer-to-peer lending in 2013 exceeds the total number of loan made through conventional banks [6]. In addition to that finding, a research by [17] found that 83% of all conventional financial institutions believe their business ground will be taken over by fintech companies. The research shows that parties from banking industry are the ones who feel the pressure most from fintech. According to the research, respondents from banking industry predicted that in 5 years fintech will be able to snatch 24% of their market share. The circumstances above at glance give an idea about the possibility of how borrowers can shift from using

conventional bank's loan to fintech company's loan. And reflecting from what happened in the U.S., it could be said that peer-to-peer lending fintech companies is able to gradually snatch conventional bank's market share.

Currently in Indonesia, fintech with peer-to-peer lending business model is still new in the industry, they haven't given a significant threat yet to the banking industry. But, there is still possibility that similar scenario to be happened in Indonesia, where fintech companies with peer-to-peer lending business model outperform conventional banks like in the U.S. As [21] said in his paper, in shorter-term the current proportion of market share that fintech companies has might be relatively small compared to current conventional banking's market share, but in longer-term they might become a bigger threat. Reference [21] added that fintech companies' growth will not only snatch their market share in the future, but will also be followed by decrimentals in profit. So, based on the data, information, and also argumentations provided above, it can be said that fintech companies with peer-to-peer lending business model can pose some risks to conventional banking companies. And thus, exploring the business of peer-to-peer lending fintech companies and their capabilities is considered important in order to identify and analyze conventional bank's business risk regarding peer-to-peer lending's emergence.

II. BUSINESS ISSUE EXPLORATION

A. An Overview of Peer-to-Peer Lending in Indonesia

In Indonesia, P2PL industry has just recently emerged. Their first appearance in Indonesia was in 2016. The first fintech companies with peer-to-peer lending business model in 2016 were: Investree, Modalku, KoinWorks, Amartha, Mekar, and Crowdo [10]. Since then, the number of P2PL fintech companies keeps growing. According to Indonesia's Financial Service Authority or OJK (Otoritas Jasa Keuangan) in its website, as of December 9th 2017, there are 11 credit lending fintech companies that were registered, which are are: Investree, Amartha, KoinWorks, Modalku, Crowdo, Akseleran, KlikAcc, Dynamiccredit, Qreditt, Relasi, dan Esta Capital. While as of 27th January 2018, the number of registered credit lending fintech companies in Indonesia has reached 32 companies [16]. And after investigating further into each websites, the author found that 17 them are peer-to-peer lending.

No.	Fintech Name	Provided Service
1	Danamas	Peer-to-Peer Lending
2	KoinWorks	Peer-to-Peer Lending
3	Amartha	Peer-to-Peer Lending
4	Modalku	Peer-to-Peer Lending
5	Investree	Peer-to-Peer Lending
6	KlikACC	Peer-to-Peer Lending
7	Crowdo	Peer-to-Peer Lending
8	Akseleran	Peer-to-Peer Lending
9	Dompet Kilat	Peer-to-Peer Lending
10	Dynamic Creditt	Peer-to-Peer Lending
11	Relasi	Peer-to-Peer Lending
12	iGrow	Peer-to-Peer Lending
13	Qreditt	Peer-to-Peer Lending
14	Esta Kapital	Peer-to-Peer Lending
15	Gradana	Peer-to-Peer Lending
16	Karapoto	Peer-to-Peer Lending
17	Ammana	Peer-to-Peer Lending

Source: Otoritas Jasa Keuangan (OJK)
https://sikapiuangmu.ojk.go.id/FrontEnd/CMS/Article/10417

Table 1: Registered P2PL Fintech in Indonesia

Most of these fintech companies in table 1 offer loans for small & medium enterprises (SMEs), but some of them also serve corporate and government as borrowers (Investree & Modalku), and some other specifically offers only micro loans (Amartha), loans for farmers (iGrow) and property loans (Gradana). Almost all of the loans offered by these P2PL companies are uncollateralized loan and doesn't require any credit card, but some also provides option to collateralize their asset in order to get lower interest rate (Akseleran, Relasi, & Crowdo). Regarding the uncollateralized feature of the investigated P2PL companies, some conventional banks in Indonesia also offer similar product: KTA (Kredit Tanpa Agunan) or uncollateralized loan. KTA is the closest loan type in Indonesia that can be compared with peer-to-peer (P2P) loans. As peer-to-peer lending platforms, these fintech companies basically offer similar lending/investment service. Both individual and organization can participate in the lending activity in any P2PL platforms. A registered lender who has deposit his/her money can go to the marketplace (in the form of website), and start funding loans. But there are some innovative differentiations between each P2PL platform, such as: the Bid system that lets lenders bid the interest rate as low as they're willing to receive, and the lowest bidders will get to fund the loan (Crowdo & Qreditt), and then Robo-Lending feature which automatically distribute the lender's investment using machine learning algorithm and let the lenders get a predicted rate of return without bearing any risk of loan default (KoinWorks). Some differentiation features even includes loan default protection like Dana Proteksi or Protection Fund which repay the lenders proportionally for any default loans depending on the loan grade (KoinWorks), 0% Non-Performing Loan

(Investree), and Tanggung Renteng which is a rule that obligates all borrowers to help any other borrower who go default (Amartha). These loan default protection features makes investing in certain P2PL platforms can be considered as a low-risk investment. Thus, in this study, peer-to-peer lending lending/investment service is compared to conventional bank's deposit, while the peer-to-peer loan is compared to conventional bank's uncollateralized loans.

B. P2PL & Conventional Banking Comparison

In order to compare peer-to-peer lending companies to conventional banks, the author examined 23 top banks of Indonesia in which 17 of them offer uncollateralized loan or KTA. The 17 banks are then further investigated to obtain information, and be compared with peer-to-peer lending fintech companies. For the information about conventional banks this study uses data collected from cermati.com & cekaja.com, two websites which provide details & information about financial services offered by conventional banks in Indonesia, and also from pusatdata.kontan.co.id, a website that provides daily-updated information about Indonesian bank's deposit rate. While for the peer-to-peer lending fintech companies the author obtains information from each fintech's websites. The comparative analysis between the two will be a comparison in terms of uncollateralized loan rate, deposit rate, and the application process for both loan & deposit.

Table 2 shows investigated banks' uncollateralized loan rates, deposit rates, and the information about each loan's credit card requirement. While for the loan interest rate of peer-to-peer lending not every P2PL company discloses their loan-grading system on their websites, but based only on the ones that disclose the information, the annual interest rate ranges from 9% - 20% for KoinWorks, 12% - 20% for Investree, 15% - 20% for Relasi, and 17% - 31% Karapoto. From the obtained information, peer-to-peer loan's interest rate and conventional bank's uncollateralized loan rate in Indonesia seem to be on a quite similar level, which is around 10% to 20% annually. But since most peer-to-peer lending offer their loan with 20% loan rate at maximum, the threat might be for conventional banks which offer loan rate above 20%.

No.	Bank Name	Uncollateralized Loan Name	Loan Interest Rate		Deposit Rate		Credit Card (CC) Requirement for Loan
			Monthly	Annual Percentage Rate	6 Months	12 Months	
1	Citibank	City Ready Credit	1.68%	20.16%	4.80%	5.00%	Yes
2	Standard Chartered Bank	KTA Online	1.29%	15.48%	4.50%	5.00%	Yes
3	Bank HSBC Indonesia	KTA HSBC	1.75%	21.00%	5.80%	4.00%	Yes
4	Bank Anz Indonesia	Anz Moneyline	1.89%	22.68%	3.10%	3.20%	Yes
5	Bank Bukopin	KTA Bukopin	1.71%	20.52%	5.90%	5.90%	Yes
6	Bank BCA	BCA Personal Loan	1.00%	12.00%	4.60%	4.60%	Yes
7	Bank Commonwealth	Bizloan Bank Commonwealth	1.30%	15.60%	5.30%	4.50%	No
8	Bank Danamon Indonesia	Danamon Dana Instant	1.89%	22.68%	5.30%	5.30%	Yes
9	Bank DBS Indonesia	Dana Bantuan Sahabat	1.29%	15.48%	5.50%	5.80%	Yes
10	Bank Mandiri	Bank Mandiri KTA Reguler	2.50%	30.00%	5.40%	4.50%	Yes
11	Bank Maybank Indonesia	Maybank KTA Reguler	1.49%	17.88%	5.30%	5.00%	No
12	Bank BNI	BNI Fleksi (Payroll)	0.88%	10.56%	5.50%	5.00%	Yes
13	Bank OCBC	OCBC Oncash (Payroll)	1.40%	16.80%	5.50%	5.40%	No
14	Bank Panin Indonesia	Kredit Express Panin	1.20%	14.40%	5.60%	5.80%	Yes
15	Bank Permata	KTA Bank Permata	1.79%	21.48%	5.40%	5.30%	No
16	Bank BRI	KTA Briguna	1.45%	17.40%	5.60%	5.60%	Yes
17	Bank BTN	KTA BTN Kring	0.87%	10.44%	5.90%	5.80%	No
	Average		**1.49%**	**17.92%**	**5.24%**	**5.04%**	**70.5% require CC**

Source: Cermati.com, Cekaja.com, Pusat Informasi Pasar Uang (PIPU) Bank Indonesia https://www.cermati.com/, https://www.cekaja.com/, https://pusatdata.kontan.co.id/bungadeposito/

Table 2: Uncollateralized Loan Rate & Deposit Rate of Conventional Banks in Indonesia

No.	Peer-to -Peer Lending	Annual Uncollateralized Loan Rate	Annual Deposit Rate	Credit Card Requirement for Loan
1	Investree	12% - 20%	12% - 20%	No
2	KoinWorks	9% - 20%	15% - 38%	No
3	Relasi	15% - 20%	15% - 20%	No
4	Karapoto	17% - 31%	17% - 31%	No

Source: Investree, KoinWorks, Relasi, Karapoto https://www.investree.id/, https://koinworks.com/, https://www.relasi.co.id/, https://karapoto.co.id/

Table 3: Peer-to-Peer Lending Loan & Deposit Rate

For the deposit rate for conventional banks, the range is quite tight, which is around 3% to 5% annually. While for peer-to-peer lending, the annual rate for lenders are: 15% - 38% (KoinWorks), 12% - 20% (Investree), 15% - 20% (Relasi), and 17% - 31% (Karapoto). The above information clearly shows that P2PL lending rate is much higher than conventional bank's deposit rate. This is possible because

conventional banks mainly take profit from the difference between loan rate and deposit rate. In contrast, P2PL companies don't take profit from the difference between loan and lending rate, but from fees and commission they received from borrowers and lenders [1]. This can be seen from P2PL's lending rate which is the same with each its loan rate (Investree, Relasi, & Karapoto).

For the application process, deposit application in most conventional banks requires the applicants to prepare a copy of the needed documents. Then, applicants must come physically to the bank's branch, fills the registration form and submit the documents. After that, the applicants usually can deposit the amount of money immediately. For applying in peer-to-peer lending platform, the application process is quite simple. The lender needs only to register an account on the website of the selected P2PL, upload the required documents, transfer an amount of money to the registered account, and finally fund some loans. For loan application in conventional banks, after submitting the application they will need to wait for several days, usually one to two weeks until the loan is approved. The process is time consuming because the corresponding bank must do a credit analysis on the loan using the information provided by the applicants. While for loan application process in peer-to-peer lending the registration is as simple as its lending application. This means loan applicants in peer-to-peer lending don't need to come to the office branch to apply for a loan. Another thing that differs between the two is the credit analysis process. Instead of using the limited information provided by the potential borrowers, [25] described that peer-to-peer lending fintech companies are using big data to evaluate loans. By using big data, peer-to-peer lending platforms can proactively gather and analyze more dynamic data points about its potential borrower from public websites, agencies, and public records. The information may includes purchases using credit cards, the length of time the borrower has used with the same email address, the number of connections on Twitter, Facebook, or other social media sites, and reviews and ratings from online business platforms. They can then tie all the information together, and assess it from multiple perspectives to gain new insights. Thus, making more comprehensive and dependable credit profiles, and performs the lending decision more quickly [25].

C. Exploration Highlights & Risk Identification

From the above analyses, there are things that should be highlighted for further analysis. First of all, peer-to-peer lending has a wide segment of borrowers which are: micro business, SMEs, big corporate, governments, farmers, and also individuals who wants to buy a property. Secondly, certain P2PL platforms offer innovative features. These innovative features could either help borrowers get lower loan rate, or help lenders manage their lending portfolio. Thirdly, investing in certain P2PL platforms can also be considered as low-risk because they have loan default protection features. Fourthly, P2P loan rate is actually on a similar level with conventional bank's uncollateralized loan rate, but several bank's loan rates are still higher than P2P loan rate. If lower loan rate loan from peer-to-peer lending is offered, then conventional banks could lose borrower market share and eventually lower their interest profit. Fifthly, the lending rate in P2PL platform is much higher than the deposit rate of any of the conventional banks. This could make conventional banks lose some of its depositors. And then the lesser deposit they have the lesser funds that they can lend, and the lesser they lend the lesser interest profit that banks can have. Sixthly, applying for either loan or lending activities in peer-to-peer lending platforms is very much easier than applying in conventional bank because applicants only need to apply via online. Finally, in terms of making credit profiles and the lending decision speed, the technology that peer-to-peer lending have is better than conventional bank. This could be one of the reasons of why peer-to-peer lending can disrupt conventional bank's business. If conventional banks failed to adapt well, then it could affect their performance in the business.

In addition to the discussions above, prior studies have shown that service convenience, innovative products, and consumer's perception of risk are all positively influencing purchase intentions [12]-[15]-[3]-[23]. Reference [12] also found that service convenience positively influences behavioral intention which is spreading positive word-of-mouth. Positive word-of-mouth could contribute to the fintech's popularity among potential borrowers and lenders. In Indonesia alone, a research by Indonesia [5] has shown a significant increase of fintech awareness and usage. In 2016 only 28.34% have ever heard the term "fintech", and only 18.46% have used fintech a company's service. While in 2017 the numbers rose, 67.2% have heard the term "fintech" and 60.96% have used a fintech company's service. It seems that fintech is quickly gaining popularity in Indonesia. These findings combined with the analyses earlier in this study show how peer-to-peer lending has advantages over conventional bank which could become leads for conventional banking risks. Thus, based on the analyses above, 12 conventional banking risks are identified. The identified risks are shown in table 4.

In this study, the identified 12 risks are categorized in 3 risk categories which are market risk, operational risk, and strategic risk. Market risk is defined as the possibility of loss to bank caused by the changes in the market variables such as interest rate. And operational risk is defined as the risk of loss arising from inadequate or failed internal processes, people and systems or from external events [11]. While strategic risk is the risk that arises from the inability to implement appropriate business plans and

strategies, decisions with regard to allocation of resources or adaptability to dynamic changes in the business/operating environment [9].

III. ASSESSING THE IDENTIFIED RISKS

A. Analytical Hierarchy Process

After identifying the risk, the next and final step is measuring each risk's importance. In doing so, this study is using analytical hierarchy process or AHP, which is a multi-criteria decision making method originally developed by mathematician [19]. This method determines the relative importance through classification by objective, criterion, and alternative to resolve risks in some classes [20]. In addition, the method can generate weightings (ratio scales) or the relative importance of each identified risk compared to another [18]. The needed data to generate the relative importance value is collected through pairwise comparison questionnaire. The questionnaire is responded by experts and practitioners of the relevant subject, and by using AHP the insight and knowledge of experts and practitioners in conventional banking industry can be analyzed. In this study, the respondents are the board of directors of a conventional bank in Indonesia.

A consistency check for this method is measured by the value of consistency ratio (CR). In their study, [20] explained that it is a reasonable evaluation when the CR is less than 0.1, and is an acceptable evaluation when it is not more than 0.2. This study uses this rule of thumb in determining its consistency.

To calculate and synthesize the collected data in analytical hierarchy process, spreadsheet or some AHP softwares can be used. Reference [14] mentioned Expert Choice, Super Decision, and Decision Lens as alternatives in calculating AHP. In this paper, the AHP is calculated using AHP Online System from the website of [2]. The website provides a step-by-step instruction in using the AHP Online System.

Risk Category	Identified Risks
Market Risk	M1. The number of peer-to-peer loan which offer lower rates than conventional bank's uncollateralized rate keeps growing.
	M2. The number of peer-to-peer lending's investment platforms which offer much higher rates than conventional bank's deposit rate keeps growing.
Operational Risk	O1. Peer-to-peer loans are more attractive to potential borrowers in terms of service convenience.
	O2. Peer-to-peer lending investment products are more attractive to potential lenders/depositors in terms of service convenience and innovative features.
	O3. Peer-to-peer lending is gaining popularity quickly in Indonesia, increasing potential customers' intention to borrow and/or invest their money in peer-to-peer lending platforms instead of in conventional bank.
	O4. Conventional banks are losing borrowers to peer-to-peer lending.
	O5. Conventional banks are losing depositors to peer-to-peer lending.
	O6. Decline in conventional bank's interest profit.
	O7. Decline in conventional bank's loanable funds.
	O8. Peer-to-peer lending's technology is better than conventional bank's technology and can potentially disrupt conventional bank's business.
Strategic Risk	S1. Peer-to-peer lending fintech will snatch conventional bank's market share in the future.
	S2. Conventional banks' possibility of failure to adapt well with the changing business environment due to peer-to-peer lending's disruption.

Table 4: Identified Conventional Banking Risks Regarding Peer-to-Peer Lending

B. Results & Discussions

On the level of risk category, the result using AHP shows that market risk and operational risk are equally important. Both risks are also considered as more important than strategic risk since their importance value is higher than strategic risk's. The result is considered reliable since its CR is 0% or below 0.1. While CR for risks in the market, operational, and strategic risk category are 0%, 20%, and 0% respectively. Indicating reasonable consistency for each market and strategic risk, and also indicating an acceptable consistency for operational risk.

On the identified risks level, the result show that the top 5 most important risks to conventional banks regarding peer-to-peer lending are M1, M2, S2, S1, and O4. M1 risk is the most important risk with importance value of 0.276. The M1 risk stands for the growing number of peer-to-peer loan that offers lower loan rates than conventional bank's uncollateralized rate. The next most important risk is M2 with importance value of 0.124. The M2 risk stands for the growing number of peer-to-peer lending's investment platforms which offer much higher rates than conventional bank's deposit rate. Then, the next most important risk is S2 with importance value of 0.124. S2 stands for conventional banks' possibility of failure to adapt well with the changing business environment due to peer-to-peer lending's disruption. And then S1 follows as the fourth most important risk with importance value of 0.076. The S1 risk stands for peer-to-peer lending's probability to snatch conventional bank's market share in the future. After that, the O4 risk follows as the fifth most importance risk with 0.064 importance value. In this study the O4 risk is considered as the most important operational risk. The O4 risk stands for conventional banks probability to lose borrowers to peer-to-peer lending. This result is actually a bit surprising at first because non-of the top 5 most important risk is directly related to technological issue such as O1, O2, and O8. Higher level of importance for technology-related risks was expected since the main reason of why peer-to-peer lending has

many advantages over conventional bank is technology itself. The technology-related risks rank 10th, 12th, and 7th respectively. However, this doesn't necessarily mean that these risks are not important.

Risk Category	Importance Value	Risks	Importance Value	Rank
Market Risk	0.4	M1	0.276	1
		M2	0.124	2
Operational Risk	0.4	O1	0.033	10
		O2	0.018	12
		O3	0.031	11
		O4	0.075	5
		O5	0.064	6
		O6	0.059	9
		O7	0.06	8
		O8	0.061	7
Strategic Risk	0.2	S1	0.076	4
		S2	0.124	3

Table 6: Assessment of Risk Factors in Conventional Banking using AHP

The above result shows that the market's loan rate is very important to conventional banks. This is reasonable since mostly conventional bank's profit is earned from interest profit. Lower competitor's loan rate (in this case peer-to-peer lending) could also drive potential borrowers away from the one that offers higher loan rate. This links to the other top 5 risk: S1 and O4, which cover the risk of losing market share and the declining of borrower number in conventional banks. Peer-to-peer lending's high investment rate is also considered as a very important risk. This is also reasonable because a much higher competitor's deposit rate could drive potential depositors to investing their money to the one that offers much higher rate. More of these fintech companies that offer higher investment rate could trigger another risks such as: the O5 and O7, which cover the risk of losing depositors and the declining of loanable funds. And then being able to adapt well to the changing business environment due to peer-to-peer lending's potential disruption seems to be one of the most important concern for conventional bank. One way to adapt well is by collaborating. Reference [13] stated that collaboration between conventional banks and peer-to-peer lending platforms in UK is increasing. The collaboration includes passing on some clients to the bank if the fintech company need additional support from the bank. In addition, [22] also found that the collaboration could let conventional banks purchase personal loans and creating new credit products together. Such collaborations could be a good consideration for conventional banks in Indonesia to adapt well in the potentially changing business environment. And thus, overcome the potential risks regarding peer-to-peer lending's emergence.

CONCLUSION

This study found that peer-to-peer lending (P2PL) has some advantages over conventional banks by using a more advanced technology. The advantages are in terms of loan rate, lending/investment rate, innovative features, and service convenience. The study also found that the top 5 most important risk for conventional bank regarding peer-to-peer lending emergence are the risk of P2PL offering lower loan rates, the risk of P2PL offering higher lending/investment rate, the risk of losing market share to P2PL, the risk of being unable to adapt with the changing business environment, and the risk of losing borrowers to P2PL. It is also found that these risks are still considered more important than technologically related risks despite the fact that peer-to-peer lending ultimately gains advantages over conventional banks by using technology. However, this study is limited to only measure risks in regard of peer-to-peer lending's emergence. A broader set of risks is needed if one's is to compare the importance of P2PL related risks with other type of risks.

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