

Implication of Financial Information Services System (SLIK): Case Study on BPR Christa Jaya Perdana Kupang

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Abstract— The study, entitled **Implications of the Financial Information Service System (SLIK) in Providing Credit Case Study PT. Christa Jaya Perdana Kupang BPR** aims to find out the influence or the implications of the financial information system in providing credit at PT. BPR Christa Jaya Perdana Kupang. The data used is primary data on the number of SLIK uses and the amount of credit given at PT. BPR Christa Jaya Perdana Kupang in 2017. The results of the study show that the Financial Information Service System affects the provision of credit to PT BPR Christa Jaya Kupang. This is because currently all banks use the financial information service system as one of the determining factors in making a decision to give credit or vice versa. The decision taken by the bank is based on the debtor's information by looking at the collectability of the prospective debtor, with information the bank debtor can find a summary of the facilities obtained by the debtor from all creditors, including the amount of ceiling, debit tray, creditor, and the worst quality ever obtained. And details of collateral pledged as collateral for the provision of funding facilities. In addition to SLIK, banks in lending also pay attention to the principle of granting credit, namely 5C (Character, Capacity, Capital, Condition, and Collateral). Thus the SLIK Service in the form of debtor information supports easy access to credit or financing and can be used to facilitate the process of providing funds, implementing risk management, evaluating Debtor quality, and improving financial industry discipline.

Keywords— *Banking; Credit; Financial Information Service System; Policy*

I. INTRODUCTION

One element related to the condition of the national economy is the problem of the financial system and other financial service industry activities. This problem is the impact of globalization and technological advances that lead to the complexity of the financial system. Rapid economic growth cannot be separated from the development of an increasingly sophisticated financial system. Globally, financial system stability in the economy is driven by four things, namely (1) greater financial sector growth compared to the real sector, (2)

integration of global and regional financial systems, (3) complexity of the financial system and (4) changes in composition in a financial system process that is tailored to the needs of the community where the composition of non-monetary assets becomes more important. In addition, the existence of financial institutions that have ownership relations in various other sub-sectors add to the complexity of transactions and the interaction between institutions of financial institutions in the financial system.

The 1998 crisis provided evidence that resilience in the financial sector was a very important aspect in shaping and maintaining a sustainable economy. An unstable financial system will disrupt the economy, actions taken to anticipate the recurrence of the 1998 crisis by strengthening the Financial System Stability (SSF) towards the development of the Indonesian banking.

According to the OJK Law No. 21 of 2011 the task of regulating and supervising banks, financial institutions, which includes institutions, health, prudence and bank checks, will be transferred from Bank Indonesia to the Financial Services Authority. While Bank Indonesia still has the task of regulating banking related to macroprudential aspects. Bank Indonesia can conduct direct checks on banks that enter systemically important banks and / or other banks, according to the authority of Bank Indonesia in the field of macroprudential.

Based on the provisions of Article 1 number 1 of the OJK Law, the definition of OJK is: "The Financial Services Authority, is an independent institution that has the task of regulating and supervising financial service activities in the Banking sector; financial service activities in the Capital Market sector; and financial services activities in the Insurance Sector, Pension Funds, Financing Institutions, and Other Financial Services Institutions, the Financial Services Authority (OJK) carries out its main duties and functions in ensuring Financial System Stability (SSK) to be maintained in order to achieve the goal of creating a growing financial system in a healthy, sustainable and stable manner.

In accordance with OJK Regulation Number 18 of 2017, OJK has the authority to regulate and develop the implementation of information systems between banks and other institutions in the financial sector, especially in order to obtain and provide debtor information. In carrying out its duties and functions, OJK deems it necessary to develop a new system to support access to credit information. So on January 2, 2018 OJK has just launched the Financial Information Service System (SLIK) application, which is an extension of the Debtor Information System (SID). SID is a means of exchanging information on financing or credit between institutions in the financial sector, which has been managed by Bank Indonesia.

The Financial Information Service System (SLIK) is an information system managed by the Financial Services Authority (OJK) to support the implementation of supervisory and information services in the financial sector. One of the information services that will be provided by OJK through SLIK is the debtor information service. Debtor information is information about the debtor, the fund provision facility received by the debtor, and other related information presented based on the debtor report received by the OJK from the Reporting Party through the SLIK application. The SLIK reporter is not only the banking industry, but includes Financial Services Institutions (LJK) and non-LJK, except Micro finance institutions and Savings and Loan Cooperatives.

Based on Law No. 10 of 1998, the banking structure in Indonesia, consisting of commercial banks and rural banks. Commercial Banks and BPRs differ in their activities where Commercial Banks may provide services in payment traffic, while BPRs may not [1].

Credit is one of the products that contribute to the large earning assets and also contains high risks that can affect the health and survival of a bank. Credit as the main income for BPRs is expected to maintain its credit quality properly. Many banks deviate from the rules in lending due to intense competition in customer withdrawal. In addition, many banks neglect in analyzing lending, and the provision of loans that are not in accordance with the ability of bank customers [2].

Therefore, banks must be able to analyze and predict a credit application to minimize the risks contained in the loan distribution, the risk that often occurs is bad credit. Bad credit is a serious problem for banks, there are still many banks that have not applied the principle of bank prudence perfectly, and lack of attention to risk management and others [2]. The ease of access to credit or financing is an important factor in creating a sound financial system and can support a country's economic growth. The ease of access to credit or financing needs to be supported by an information system that functions to exchange credit information between Financial Services Institutions.

Common assessment criteria and must be carried out by banks to get customers who are truly eligible for credit, are carried out with 5C and 7P analysis. Assessment with 5C analysis is as follows: (a) Personality (character) (b) Ability (capacity) (c) Capital (d) (d) Guarantee (collateral) (e) Conditions (condition) while credit assessment with 7P is as follows: (a) Personality (b) Classification (party) (c) Purpose

(purpose) (d) Expectation (prospect) (e) Payment (payment) (f) Profitability (g) Protection (protection) [3].

Information about prospective borrowers is an important factor in determining the level of risk that will be faced by the bank and the character of prospective borrowers that indicate the willingness of prospective borrowers to fulfill their obligations. This will relate to the nature and character of the borrower. Characters are the most vulnerable factors of risk and it is not easy to identify them. It turned out that the lack of information about prospective borrowers and the lack of a deeper understanding of the character of prospective borrowers is one of the main causes of bad credit [2].

Based on the above background, we conduct research entitled "Implications of Financial Information Service Systems (SLIK) in Giving Credit (Case Study of PT BPR Christa Jaya Perdana Kupang)".

II. LITERATURE REVIEW

A. *Financial Information Service System*

The Financial Information Service System, hereinafter abbreviated as SLIK, is an information system managed by the Financial Services Authority (OJK) to support the implementation of supervisory and information services in the financial sector. SLIK serves as a means of exchanging credit information between financial service institutions to support easy access to credit or financing. (POJK No.18).

The implementation of Debtor Information reporting and requesting activities through SLIK can be used to expedite the process of providing funds, implementing risk management, assessing Debtor quality, and improving financial industry discipline (POJK No.18).

B. *Service Concept*

The term service comes from the word "service" which means helping to provide all that is needed by others in the act of serving. Talking about service means talking about an active process whose connotation is more to the abstract (Intangible). Service is a process, the process produces a product in the form of service, which is then given to the customer. Service can basically be defined as the activity of a person, group and / or organization both directly and indirectly to meet needs [4].

Service quality is a comparison between perceived service (perception) consumers and the quality of service expected by consumers. If the quality of service that is perceived to be the same or exceeds the expected quality of service, the service is said to be quality and satisfying.

Relationship Between the Quality of Service with Customer Satisfaction, improving service quality is very important for service companies because it will attract consumers to buy the service products offered. Consumers who feel happy and satisfied with the services provided by the company will continue to buy the products offered, so that the status of consumers will turn into customers. One way to transform consumers into customers is to fulfill satisfaction and provide superior service quality. The satisfaction that customers feel will have a positive impact on the company, among which will

encourage customer loyalty and the company's reputation will have a positive impact in the eyes of society in general and customers in particular.

Supporting factors of service according to Moenir in his book entitled "Management of Public Services in Indonesia", these factors can affect the service, the means of service facilities referred to here are all types of services, work equipment and other facilities that function as the main tool or assistant in the implementation employment, and also function socially in the interests of the people who are in contact with the work organization.

C. Credit Concept

The definition of credit has a variety of dimensions, starting from the word "Credit" which comes from Italian *credere* which means trust, which is the trust of the creditor that the debtor will return the loan and interest according to the agreement of both parties. Strictly speaking, creditors believe that the credit will not be jammed [5].

In practice, the notion of credit develops more broadly, the credit is "The ability to carry out a purchase or make a loan with a promise of payment will be deferred at an agreed time period" [6].

III. RESEARCH METHOD

The method of analysis in this study is to use simple linear regression analysis between the variables of the Financial Information Service System and the Credit Provisioning variable, with the following equation model:

$$Y = a + bX_1 + \epsilon_i \quad (1)$$

With:

Y : Credit

X : Financial Information Service System

a : Constanta

b : Coefficient

ϵ_i : error term

IV. RESULTS AND DISCUSSION

TABLE I. REGRESSION ANALYSIS RESULT

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	39.676	8.712		4.554	.000
Sistem Layanan Informasi Keuangan	3.093	.387	.755	7.987	.000

Regression equation model : $Y = 39.676 + 3.093X$

From the simple linear regression equation model found a positive relationship between SLIK and crediting, meaning that if SLIK rises by 1 unit then the credit provision increases by 3.09%. Good implementation of SLIK will increase the amount of credit given to customers by the bank, otherwise if the implementation of SLIK is not good or there is a problem, it will reduce the amount of credit given to customers by the bank.

While the determinant coefficient value (R Square) is 0.571, which means that SLIK affects the lending of 57.1%, while the remaining 42.9% is influenced by other variables outside this regression model, as shown in table 2.

TABLE II. DETERMINED COOFICCIENT

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.755 ^a	.571	.562	6.28960

The anticipation of income theory states that banks should be able to provide long-term credit, which is the expansion, namely principal loan repayments and interest can be expected and the payment is scheduled in accordance with a predetermined period of time. The customer's repayment schedule will provide cash flow regularly which can be used to meet the bank's liquidity needs.

BPR Christa Jaya Perdana Kupang provides long-term credit with the aim of obtaining profits and being able to provide liquidity when needed. With the SLIK the risk of uncollectible credit can be minimized. In addition, BPR Christa Jaya Perdana Kupang in providing loans to debtors, of course, of implementing the precautionary principle known as 5C (Character, Capacity, Capital, Condition, and Collateral) to reduce the risk that might occur. The results of this study are in line with Pato's research [7].

This SLIK application process to get credit faster, good service will increase the provision of credit. SLIK is very positive, because with this system can give a decision to the bank to give credit or not based on quality. With SLIK the bank does not pay too much attention to guarantees, conditions, or characters but it is enough to just look at the credit history of the debtor because the bank if it wants to give credit, the bank will check SLIK.

V. CONCLUSION

Implications The use of SLIK services in the form of debtor information supports the ease of access to credit or financing and SLIK can be used to expedite the process of providing funds, implementing risk management, evaluating Debtor quality, and improving financial industry discipline.

SLIK provides great benefits, because with this system can give a decision to the bank to give credit or not based on quality and because the bank has another 5C principle.

Through SLIK, the bank does not see collateral, conditions, characters, but enough to see the credit history of the debtor.

With SLIK the benefits for individual debtors and business groups, from small and medium businesses to SLIK are influential, the micro influence the macro, financial institutions will greatly affect economic conditions, because the velocity of money that occurs in financial institutions is quite large.

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