



## ANALYSIS OF FINANCIAL PERFORMANCE USING PEARLS AT THE THANKS TO BULUKUMBA SAVINGS AND LOANS COOPERATIVE 2018-2022

Yuan Swastika<sup>\*1</sup>, An Najar M. Tahir<sup>2</sup>

<sup>1,2</sup> Universitas Muhammadiyah Kendari, Indonesia

Corresponding Author: [yuan.swastika@umkendari.ac.id](mailto:yuan.swastika@umkendari.ac.id)

### Info Article

Received :

01 Juni 2024

Revised :

03 Juli 2024

Accepted :

01 Agustus 2024

Publication :

30 Agustus 2024

#### Keywords:

Protection,  
Effective Financial  
Structure, Asset  
Quality, Rates of  
Return and Costs,  
Liquidity, Signs of  
Growth.

#### Kata Kunci:

Protection,  
Effective Financial  
Structure, Asset  
Quality, Rates of  
Return and Costs,  
Liquidity, Signs of  
Growth.

Licensed Under a  
Creative Commons  
Attribution 4.0  
International  
License



**Abstract:** In a Savings and Loan Cooperative, good management of protection, effective financial structure, asset quality, rates of return and costs, liquidity, and signs of growth are key factors that support long-term success. The theories put forward by the experts above provide an important basis for cooperative management to understand and implement appropriate strategies in maintaining the sustainability and growth of cooperatives. This research aims to analyze the financial performance of the Thanks to Bulukumba Savings and Loans Cooperative (KSP) during the 2018-2022 period using the PEARLS method. The PEARLS method consists of aspects of Protection, Effective Financial Structure, Asset Quality, Rates of Return and Costs, Liquidity, and Signs of Growth. The research results show that even though KSP Berkat experiences fluctuations in several indicators, overall the cooperative remains in the healthy category. This evaluation provides an important picture of the cooperative's strengths and weaknesses for better strategic planning in the future.

**Abstrak:** Dalam Koperasi Simpan Pinjam, pengelolaan yang baik atas perlindungan, struktur keuangan yang efektif, kualitas aset, tingkat pengembalian dan biaya, likuiditas, serta tanda-tanda pertumbuhan merupakan faktor kunci yang mendukung keberhasilan jangka panjang. Teori-teori yang dikemukakan oleh para ahli di atas memberikan dasar penting bagi manajemen koperasi untuk memahami dan menerapkan strategi yang tepat dalam menjaga keberlanjutan dan pertumbuhan koperasi. Penelitian ini bertujuan untuk menganalisis kinerja keuangan Koperasi Simpan Pinjam (KSP) Berkat Bulukumba selama periode 2018-2022 menggunakan metode PEARLS. Metode PEARLS terdiri dari aspek Protection, Effective Financial Structure, Asset Quality, Rates of Return and Costs, Liquidity, dan Signs of Growth. Hasil penelitian menunjukkan bahwa meskipun KSP Berkat mengalami fluktuasi dalam beberapa indikator, secara keseluruhan koperasi tetap berada dalam kategori sehat. Evaluasi ini memberikan gambaran penting tentang kekuatan dan kelemahan koperasi untuk perencanaan strategis yang lebih baik di masa depan.

## INTRODUCTION

Savings and Loans Cooperatives (KSP) play an important role in the community's economy by providing financial services that focus on members' welfare. In facing intense competition with other financial institutions, the financial health of cooperatives becomes a critical factor.

In the context of a Savings and Loan Cooperative (KSP), some relevant phenomena and theories related to Protection, Effective Financial Structure, Asset Quality, Rates of Return and Costs, Liquidity, and Signs of Growth can be explained using theories and views from several experts in the field of cooperative finance.

Protection in cooperatives relates to mechanisms to protect members' interests, including the risk of financial loss. Relevant theory: Emmanuel V. Kaplan (1980) states that one of the important elements in a cooperative is to provide security and stability for its members. Risk management should be done through strong policies related to reserve funds and guarantees against the risk of default. Craig and Pencavel (1992) point out the importance of risk diversification in cooperatives to maintain financial stability, especially in the context of savings and loans where credit risk is very high.

An effective financial structure of a savings and loan cooperative is essential to ensure the sustainability and growth of the cooperative. Hansmann (1996) in his book The Ownership of Enterprise argues that the financial structure of cooperatives should reflect economic democracy, where capital and profit sharing is based on member contributions and involvement. This requires a financial structure that ensures the cooperative can meet its long-term obligations. Osterberg and Nilsson (2009) show that cooperatives that have a sound financial structure tend to be more resilient to economic crises, especially if their assets are carefully invested and profit distribution is transparent.

Asset quality in cooperatives reflects how effectively the cooperative manages its loans and investments. Minsky (1986), in his theory of financial instability, emphasized the importance of sound asset quality in financial institutions, including cooperatives. According to him, asset quality can deteriorate if risk management is not managed properly, especially in managing loan portfolios. Srinivasan and Sriram (2003) state that the asset quality of KSPs depends on lending, monitoring, and debt collection policies. Effective asset management involves continuous monitoring of the quality of loans granted to members.

The rate of return in KSP relates to the income earned from loans granted to members and the operational costs incurred. Modigliani and Miller (1958) in their theory of capital structure state that the relationship between returns and costs must be well managed so that the institution can maintain its profitability without taking excessive risks. Porter (1980) in Competitive Strategy emphasizes the importance of cost efficiency and competitive interest rate setting so that KSP can compete with other financial institutions, while still providing maximum benefits to members.

Liquidity is important to maintain KSP's ability to meet short-term obligations, such as payments to members or borrowers who wish to withdraw their deposits. Diamond and Dybvig (1983) introduced the classic model of liquidity in financial institutions, stating that cooperatives must maintain adequate liquidity to avoid a crisis of confidence from members. Poor liquidity management may lead to the cooperative's inability to fulfill withdrawal requests from members, which may lead to default or a liquidity crisis. Rochet and Vives (2004) emphasize the importance of proactive liquidity management in financial institutions, including cooperatives, to ensure stability and sustainability of operations.

The growth of cooperatives can be measured through various indicators such as growth in the number of members, increase in deposit volume, and growth in assets. Birchall and Simmons (2009) in their research on cooperative growth state that growth in cooperatives is often influenced by members' trust in cooperative management, member engagement, and service quality. Hansmann (1996) argues that successful cooperatives are those that are able to maintain the active involvement of their members, as well as transparency in financial management and profit distribution.

The use of the PEARLS method (Protection, Effective Financial Structure, Asset Quality, Rates of Return and Costs, Liquidity, Signs of Growth) provides a comprehensive tool for analyzing cooperative financial performance. This research aims to evaluate the performance of KSP Berkat over the last five years and provide recommendations for improvement.

## **METHOD**

This research uses quantitative descriptive methods with secondary data obtained from the financial reports of KSP Berkat Bulukumba for the 2018-2022 period. Data is analyzed using the PEARLS system which covers six main aspects: Protection, Effective Financial Structure, Asset Quality, Rates of Return and Costs, Liquidity, and Signs of

Growth. Financial ratios are calculated to assess the health level of the cooperative in each of these aspects.

## RESULTS AND DISCUSSION

### Results

The problem to be answered in this research is to determine whether the financial performance of the Ranaka Savings and Loans Cooperative is healthy or not by using the PEARLS system ratios which consist of aspects of Protection, Effective financial structure, Asset quality (asset quality), Rates of Return and Cost (level of income and costs), Liquidity (liquidity), and Signs of growth (signs of growth). The calculation of the ratio for each PEARLS aspect will be described as follows:

Tabel 4.1. Hasil Perhitungan Rasio PEARLS

Aspek PEARLS		Rasio Ideal	2018 (%)	2016 (%)	2017 (%)	2018 (%)	2022 (%)	Ket
<i>Protection</i>	Rasio Cadangan Risiko (P1)	100%	100,7	241	257	136	245	Sehat
<i>Effective Financial Structure</i>	Rasio dana yang ditangguhkan (E6)	$\leq 5\%$	1,8	1,4	2,2	1	0,8	Sehat
<i>Asset Quality</i>	Rasio Kelalaian Pinjaman (A1)	$\leq 5\%$	0,8	0,6	0,7	1,9	1,6	Sehat
<i>Rates Of Return and Cost</i>	Rasio Biaya Operasional (R9)	$\leq 5\%$	10,6	11,6	10	8,4	8	Tidak Sehat
<i>Liquidity</i>	Rasio Likuiditas Aset (L1)	Min 15%	50,5	27,5	94	27,7	2,3	Sehat
<i>Sign Of Growth</i>	Rasio Pertumbuhan Anggota (S10)	$> 12\%$	4,3	11,4	10	8,9	11,6	Tidak Sehat

Source: Processed Data, 2024

Protection is funds set aside for the future to cover losses from negligent receivables. Protection for losses from defaulted loans at the Bulukumba Thanks Savings and Loans Cooperative can be seen from the research results obtained, namely that the reserve funds for the risk of defaulting loans for more than 12 months are sufficient for defaulting loans for more than 12 months, namely 96.7 percent.

So what is done at the Bulukumba Thanks Savings and Loans Cooperative is to minimize losses from defaulted loans of more than 12 months by carrying out more effective supervision over borrowers who are still in arrears, namely by not lending again

to borrowers who are still in arrears and being more selective in distribution and speeding up execution. collateral for problematic loans.

Effective Financial Structure is an important factor in a cooperative that is used to determine potential profit growth and financial strength. The effective financial structure or capital of the Thanks to Bulukumba Savings and Loans Cooperative is measured by the ratio of deferred funds. The ratio of deferred funds in 2018 was 1.8 percent, 2019 was 1.4 percent, 2020 was 2.2 percent, 2021 was 1 percent and 2022 0.8 percent, comparison of total short-term and long-term liabilities with total assets have a healthy ratio. Meanwhile, in 2016 and 2018 the comparison result was 7.5 percent, this was due to increased capital from third parties. Therefore, the Thanks to Bulukumba Savings and Loans Cooperative is increasing member awareness through education and training and members who for one year or more do not meet the requirements for paying basic savings and mandatory savings, will be removed from the list of members and their savings will become the property of the Thanks to Bulukumba Savings and Loans Cooperative. This will increase the capital of the Bulukumba Thanks Savings and Loans Cooperative so that it does not require funds from third parties.

## Discussion

Asset Quality is a factor used to identify unproductive assets. The indicator in asset quantity is the negligence ratio loans, percentage of unproductive assets, funding of unproductive assets. Asset quality at the Thanks to Bulukumba Savings and Loans Cooperative is measured by the loan default ratio, the results of which are healthy. The loan default ratio is normal so it does not affect other indicators, which means that the Thanks to Bulukumba Savings and Loans Cooperative is not experiencing a crisis in asset quality. Asset quality is the standard for measuring cooperative performance. To maintain good cooperative financial performance, asset quality needs to be maintained. The indicator calculated in the quality of assets at the Thanks to Bulukumba Savings and Loans Cooperative is the loan default ratio, so the way to maintain a healthy loan default ratio at the Thanks to Bulukumba Savings and Loans Cooperative is to maintain and carry out more effective supervision over borrowers who still have arrears and be more selective in distribution and speed up the execution of problematic loan guarantees.

Rates of Return and Cost (Rate of income and costs) is one aspect that contributes to the size of profits and calculates investment returns and the value of operational costs. The income level at the Thanks to Bulukumba Savings and Loans Cooperative is

measured by the operational cost ratio. In the operational cost ratio, the comparison between total operational costs, total assets for the current year, and total assets for last year is greater than the expected ideal ratio, namely 5 percent. This is due to the high operational costs exceeding the total asset ratio. So what is done at the Bulukumba Thanks Savings and Loans Cooperative is to minimize high operational costs, namely by increasing its own capital, eliminating costs outside operational activities, and developing trading business products owned by the cooperative.

Liquidity is the cooperative's ability to pay off debts or when members want to withdraw their savings. Liquidity at the Thanks to Bulukumba Savings and Loans Cooperative is measured by the asset liquidity ratio, the results of which are healthy. This means the percentage of savings invested reaches the ideal target. The ideal target is to maintain a minimum of 15 percent after paying all short-term obligations. Maintaining adequate liquidity reserves is very important for a cooperative. In order to maintain liquidity better, that is by understanding the structure of short-term assets and liabilities on a priority scale, managing working capital from operations and operating cash flow, and the management must also take care of other programs that can increase member participation in increasing capital, so that there is a relationship between the cooperative and members as users and owners.

Sign of Growth is an aspect that assesses or measures the level of growth in a cooperative. Signs of growth in the Bulukumba Thanks Savings and Loans Cooperative are measured by the membership growth ratio. The membership growth ratio can be said to be healthy because every year member growth increases. In maintaining the level of growth in cooperative membership, cooperatives must maintain existing members by conducting training and education and other programs, carry out promotions on radio, print media and social media to add more members. So the growth rate of members at the Thanks to Bulukumba Savings and Loans Cooperative increases every year.

## CONCLUSION

Financial performance assessment at the Thanks to Bulukumba Savings and Loans Cooperative from 2018-2022 using the PEARLS (Protection, Effective Financial Structure, Asset Quality, Rates of Return and Cost, Liquidity, and Sign of Growth) method, most of the financial performance is in a healthy condition. In 2018, 4 indicators were healthy and 2 indicators were unhealthy. In 2019, 5 indicators are healthy and 1 is unhealthy. In 2020, 4 indicators are healthy and 2 indicators are unhealthy. In 2021, 5

indicators are healthy and 1 indicator is unhealthy. In 2022, 5 healthy indicators and 1 unhealthy indicator. Factors causing the low financial performance of the Bulukumba Thanks Savings and Loans Cooperative include: Low loan risk reserve funds, high levels of loans exceeding savings, increasing short-term and long-term loan obligations or in other words KSP still requires funds from third parties, operational costs are still high, and the member growth rate is very low.

## **DAFTAR PUSTAKA**

Anoraga, Pandji & Widiyanti, Ninik. (2007). DINAMIKA KOPERASI .Jakarta: PT. Rineka Cipta.

Bisma. (2017). KINERJA KEUANGAN BEDASARKAN RASIO PEARLS PADA CREDIT UNION SEMANDANG JAYA DI BALAI SEMANDANG KECAMATAN SIMPLING HULU KABUPATEN KETAPANG. Skripsi Program Tudi Manajemen STIE Widya Dharma Pontianak

Budisantoso, T dan Triandaru. (2006). BANK DAN LEMBAGA KEUANGAN LAIN. Salemba Empat: Jakarta.

Febrianti dan Hendrika. (2016). ANALISIS PEARLS DALAM MENILAI KINERJA KEUANGAN KOPERASI KREDIT. CU Usaha kita" Tahun 2011-2014"

Fahmi, Irham. (2014). ANALISIS KINERJA KEUANGAN. Cetakan 3. Bandung : Alfabeta.

Hamanto, (2017). AKUNTANSI BIAYA UNTUK PERHITUNGAN BIAYA, Jakarta: Erlangga.

Hery, (2013), AKUNTANSI KEUANGAN MENENGAH, Yogyakarta: CAPS (Central Of Academic Publishing Service)

Husein, Umar, (2014), METODE PENELITIAN UNTUK SKRIPSI DAN TESIS BISNIS, Jakarta: PT RajaGrafindo Persada

Kartikahadi, H. (2012). AKUNTANSI KEUANGAN BERDASARKAN SAK BERBASIS IFRS. Jakarta: Salemba Empat.

Kasmir. (2018). BANK DAN KEUANGAN LAINNYA. Jakarta: PT Raja Grafindo Persada.

Kasmir, (2010). PENGANTAR MANAJEMEN KEUANGAN. Jakarta: Kencana.

Munawir. S. (2014). ANALISIS LAPORAN KEUANGAN. Yogyakarta: Liberty

Rahmaningsih. (2011). ANALISIS PENILAIAN TINGKAT KESEHATAN UNIT SIMPAN PINJAM PADA KOPERASI "X" DI KABUPATEN GRESIK

TAHUN BUKU 2008-2010". Skripsi Sekolah Tinggi Ilmu Ekonomi Perbanas Surabaya.

Richardson, David C. (2002). PEARLS MONITORING SYSTEM. Wisconsin, USA: WOCCU.

Soedjono, Ibnoe. (2003). INSTRUMEN-INSTRUMEN PENGEMBANGAN KOPERAS. Jakarta : LSP2I.

Sugiyono. (2012). METODE PENELITIAN KUANTITATIF KUALITATIF DAN R&D. Bandung: Alfabeta.

Sodikin. (2013). AKUNTANSI PENGANTAR I. Yogyakarta: UPP STIM YKPN

Sugiyono. (2015). METODE PENELITIAN MANAJEMEN. Bandung: Alfabeta

Sunarwati, Arum. (2018). ANALISIS PEARLS SEBAGAI ALAT UKUR KINERJA KEUANGAN PADA KOPDIT SINAR HARAPAN KEDIRI. Skripsi Universitas Nusantara PGRI Kediri.

Tugiman, Hiro. (1996). AKUNTANSI UNTUK BADAN USAHA KOPERASI. Yogyakarta : Kanisius Kementerian KUKM, Tahun 1992

Undang – Undang RI No. 25 tentang KOPERASI, Depkop, Jakarta.

Undang – Undang RI No. 17 Tahun 2012 tentang KOPERASI, Depkop, Jakarta

Widyawati dan Hery. (2012). AKUNTANSI KEUANGAN MENENGAH 2. Jakarta: Bumi Aksar