



# Pearls Analysis and Efforts to Improve Financial Performance in KSP Kopkardios Ruteng

Maria Claudia and Aminul Amin

Postgraduate STIE Malangkececwara Malang  
East Java, Indonesia

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## ABSTRACT

*This study aims to analyze the financial performance of KSP KOPKARDIOS in 2020-2022 and provide strategic recommendations for the development of KSP KOPKARDIOS. The type of research used by researchers is quantitative research. Respondents in this study amounted to 10 people, who were selected using the snowball technique. The data analysis tool used to measure the soundness of institutions in this study was PEARLS analysis using Ms. Excel. The results showed that the financial performance of KSP KOPKARDIOS was in excellent, good, fair and fair categories.*

**Key Words:** Cooperative, Financial Performance, PEARLS, Liquidity, Sign of Growth.

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## 1. INTRODUCTION

In the current new normal era, people are competing to restore their economic conditions. The impact of the Covid-19 pandemic has resulted in many people, both from the upper middle class and the lower middle class, experiencing a decline in economic growth. One form of a decline in economic growth is the increasing level of poverty or an increase in the poverty rate.

Based on data from the Central Statistics Agency (BPS) noted that the number of poor people in Indonesia as of March 2021 was around 27.54 million people, an increase from the March 2020 period which amounted to 26.42 million people. This increase occurred as a result of the Covid-19 pandemic which had an impact on changes in behavior and economic activity of the population, thus affecting the poverty rate." (TEMPO.CO, 2021). One of the causes of poverty is that it is difficult for people to get capital to run the business they want to start to live their daily lives. The absence of collateral when borrowing from banks means that these poor people do not have access to business capital.

Currently there are many financial institutions that can provide business capital for the community. There are three groups of Business Entities that form the structure of the Indonesian economy, namely State-Owned Enterprises (BUMN), Privately-Owned Enterprises (BUMS) and Cooperatives. These three business entities become a national economic force which is expected to develop into integrated components that support each other in the national economic system (Hidayat & Ishak, 2021).

Cooperative is one of the financial institutions that can provide business capital for the community with several conditions. According to (Mardiana et al., 2021) Cooperatives are a form of business in Indonesia that has a legal basis. Meanwhile, according to (Kresnayana, 2020). Cooperatives are institutions that work together for the common good. Based on the above understanding, it can be concluded that a cooperative is a business entity that has a legal basis established with the aim of building shared prosperity.

So far the development of cooperatives in Indonesia has accelerated based on data quoted from DataIndonesia.id "The Central Statistics Agency (BPS) notes that the number of active cooperatives in Indonesia is 130,354 units with a business volume of Rp. 197.88 trillion in 2022. This number has increased 1.96% compared to the previous year which amounted to 127,846 units with a business volume of IDR 182.35 trillion." with so many people who already know and join in this financial institution, it is better for the community to know the financial performance produced by each cooperative. To maintain public trust, of course, cooperatives must be able to provide transparent financial reports in managing the finances of cooperative members.

Cooperative financial performance can be measured through financial reports. One way to see the success of a cooperative can be done through PEARLS analysis. "PEARLS is a financial performance monitoring system designed as a guide in managing credit unions. PEARLS is also used as a tool in supervising cooperatives. In addition, PEARLS can also be used to make performance comparisons or ratings or one credit union with another credit union" (Roswita De Ornaty et al., 2018). "PEARLS

stands for: Protection, Effective Financial Structure, Asset Quality, Rates of Return and Cost, Liquidity, and Signs of Growth (signs of growth).”(Tangdialla & Sanda, 2021).

It is hoped that the financial reports presented by the cooperative will have a good impact on members and the institution, in this case the level of trust and enthusiasm in cooperative life will increase. According to Munawir, (2014) states that financial reports that are compared from period to period will be useful and helpful for interested parties in analyzing the development of cooperatives so that the success rate of management or financial performance by the management (cooperative management) can be known. Based on the description above, the researcher is interested in examining the performance of cooperatives using the PEARLS analysis and looking for efforts to improve the performance of one of the cooperatives in Manggarai Regency, East Nusa Tenggara Province, namely KSP KOPKARDIOS.

## **2. PEARL ANALYSIS IN COOPERATIVE**

### **2.1 Cooperative**

Cooperatives are a form of business entity that has a legal basis, cooperatives are run by members who have joined to fulfill common interests in the economic field. The definition of a cooperative according to Law Number 17 of 2012 is a legal entity established by an individual or a cooperative legal entity. Shares owned by members are used as capital to run the business. Cooperatives are run based on shared aspirations and needs in the economic, social and cultural fields in accordance with the values and principles of cooperatives.

There are several types of cooperation. They are, first, consumption cooperatives. Consumption cooperative were established to meet the general needs of their members' daily lives. The price offered by this type of cooperative is more affordable when compared to selling prices elsewhere, this is based on the cooperative's goal, namely the welfare of its members. Second, service cooperatives. Service cooperatives were established with the aim of providing financial services in the form of capital loans to build businesses to improve the welfare of members, financial services cooperatives certainly have lower loan interest compared to other financial services. Of course, in cooperative life, the interest offered is based on the agreement of the members. Third, production cooperatives. Production aim to assist in the supply of raw materials in a member-owned business, besides that production cooperatives also provide equipment for producing a special product belonging to members.

The characteristics possessed by cooperatives differ from other financial institutions. The difference between cooperatives and other institutions lies not only in their foundation and principles, but also in principle. The several principles of cooperatives that are applied in running them based on Law Number 17 of 2012 article 6 are as follows: 1) Membership is voluntary and open; 2) Supervision by members is held democratically; 3) Members participate actively in cooperative economic activities; 4) Cooperatives are autonomous and independent business entities; 5) Cooperatives organize education and training for their members, supervisors, management and employees and provide information to the public about the identity, activities, benefits of cooperatives; 6) Cooperatives serve their members first and strengthen the cooperative movement by working together through a network of activities at the local, national, regional and international levels; and 7) Cooperatives work for sustainable development for the environment and society through policies agreed upon by their members. Limited interest with capital from fellow members, in this case the interest set in the operation of the cooperative is determined on the basis of a mutual agreement.

### **2.2 Financial Performance**

Financial performance is a description of a company's ability to run its business which is seen from the financial side such as the ability to earn profits, the ability to increase company value, the ability to pay obligations, the ability to maintain its business for the future and prosper shareholders. (Hartono, 2019). The need for cooperative accountability in managing member finances is a benchmark for the success of the cooperative. In this case, financial performance is a measuring tool for whether or not a business is a good cooperative, it is necessary to analyze financial performance in making the right and important decisions as a reference and guideline for savings and loan cooperatives. (Apriyati, 2023)

Financial performance is the achievement of company achievements in a period that describes the condition of the institution's financial health. The company's financial performance can be measured from the financial reports issued by the institution periodically or periodically which provide an overview of the financial position of an institution.

### **2.3 PEARLS Analysis**

PEARLS analysis is a dynamic monitoring tool that the World Council of Credit Unions (WOCCU) will continually adapt to meet the current and future needs of credit unions. PEARLS is a financial performance monitoring system designed as a guide for credit union management. (Roswita De Ornay et al., 2018)

PEARLS analysis is a tool that can be used by Credit Unions. This analysis is a standard measure for credit unions that are feasible to grow and develop in society in order to maintain the institution and are expected to be able to compete with other financial institutions in helping serve the community. The results of the analysis carried out can be an evaluation material for institutions in managing institutions in the future. There are 4 uses of PEARLS as follows: 1) As a tool to monitor the performance of Credit Unions; 2) Standardize ratios and formulas; 3) Can be used to rank a CU; and 4) as a monitoring tool.

Assessment of the soundness level of credit cooperatives with the PEARLS system can be carried out with 6 components. The components of PEARLS system are: protection, effective financial structure, asset quality, rates of return and cost, liquidity, and sign of growth. Munaldus (2014: 176), says that assets owned by credit unions must be properly protected. Protection can be measured by comparing the adequacy of the risk reserve fund against the number of defaulted loans. In addition, protection is measured by comparing the investment loss allocation with the total investment amount. Default protection is said to be strong if the credit union has sufficient risk reserves to cover 100% of the total defaulted loans of more than 12 months, and 35% of the total defaulted loans of 1-12 months.

The financial structure of a credit union is an important factor for a credit union in determining its growth potential, earning capacity and overall financial strength. The PEARLS system measures assets, liabilities, and equity and recommends an ideal credit union structure (Munald, 2014: 176). Loan default ratio, less than 5%. The loan default ratio is the most important measure of the weakness of the savings and loan business. The provisions used aim to determine the impact of non-yielding assets Default loan ratio, Percentage of non-yielding assets Funding non-yielding assets.

The PEARLS system separates all the important components of net income to help management calculate percentage results and assess operating expenses. Effective liquidity became a much-needed and important skill when credit unions shifted their financial structure from a share-holding basis to a withdrawals non-share-holding basis. Liquidity means that the Institution is ready to provide cash at any time (Munald 2014: 176). The only best way to maintain asset value is through rapid and high asset growth along with obtaining sustainable profits.

## 2.4 Research Framework

The framework of this study can be seen in the figure 1 below.

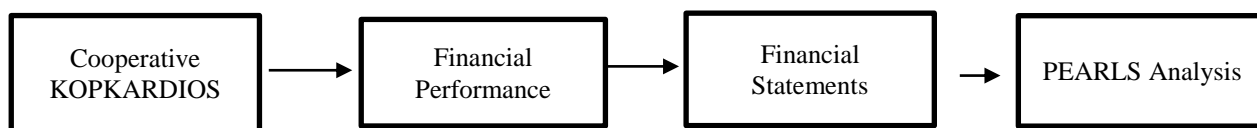


Figure 1 Research Framework

## 3. RESEARCH METHODOLOGY

In this study a quantitative approach was used to obtain data in the form of financial reports (PEARLS analysis) to analyze the health level of KSP KOPKARDIOS, besides that a quantitative approach was also used to analyze primary data and secondary data which were used to obtain information relating to internal factors and external factors of management strategy from KSP KOPKARDIOS. In addition, the data needed by researchers in this study are in the form of history, vision and mission, organizational structure and business fields offered to cooperative members.

The research object that is the focus of the researcher is the performance of a cooperative as seen from the financial performance in the form of financial reports for the last 3 years which will be analyzed using PEARLS analysis as well as internal and external factors. While the research subjects in this study were the parties involved in providing the information needed during the research. These parties are the supervisors, administrators, management and members of the KSP KOPKARDIOS cooperative. The focus of the researchers in this study were members who were in the area of the Boyfriend Unit of West Manggarai Regency.

Data collection techniques used in this study through observation, interviews, observation and questionnaires. Based on the data collection techniques carried out by the researchers above, informants are needed to support this research, in this case the selected informants used the snowball technique. This technique is a technique for taking informants determined by the researcher by means of the researcher as the main informant first determining the informant and then the next informant is selected by the informant who has been selected by the informant, then the informant determines the next informant and so on. This means that determining snowball informants is determining informants in a chain, namely from informant to the next informant until the required data sufficiency (Kaharuddin, 2021).

To strengthen the results or increase the validity and credibility of this study, a triangulation technique was also carried out where the triangulation technique was defined as the use of two or more data collections to check the validity of the researcher's findings. (Kaharuddin, 2021). The step used by this technique is to match observation data, interviews, and documents to strengthen the research data. The advantage of using various data collection techniques through triangulation is for data consolidation purposes where the strengths of one method can be used to overcome the weaknesses of other methods.

The analytical tools used in this research are PEARLS analysis and SWOT analysis. For the SWOT analysis, the method used is to analyze the company's internal (strengths and weaknesses) and external (opportunities and threats) environment which is the basis for conducting a SWOT analysis. SWOT analysis is carried out through the IFE matrix (Internal Factor Evaluation) which will describe the factors - the biggest strengths and weaknesses of the company and the EFE matrix (External Factor Evaluation) which will describe the factors of opportunities and threats owned by the company and the IE (Internal External) matrix which shows the current position of the company. Meanwhile, the PEARLS analysis is an analysis used by Credit Unions or cooperatives in accordance with standards set by the World Council of Credit Unions (WOCCU) and the Asian of Confederation of Credit Unions (ACCU).

**4. RESULTS AND DISCUSSIONS**

**4.1. KOPKARDIOS Cooperative Profile**

KSP KOPKARDIOS which stands for the Diocesan Employee Cooperative was established on December 22, 1998, the first meeting was held at the Maria Asumpta Multipurpose Building, which was attended by 61 prospective member participants, the meeting resulted in an agreement to build an Institution where this Institution officially operates on January 1, 1999. Its working area covers the whole area of the Ruteng Diocese. The initial members of this Institute were 107 people (priests and lay fellow Ruteng diocese employees) with an initial capital of Rp. 12,840,000 (in the form of principal savings and mandatory savings).

**4.2. Financial Statements**

This study uses PEARLS analysis to determine the level of financial soundness of the institution.

1. Protection

The first aspect in this PEARLS analysis is protection. In this case, the protection aspect is used to calculate and measure reserve funds and default credit provisions owned by KSP KOPKARDIOS. The reference used in this aspect is categorized as poor if the value is 50% where the provision is available for defaulted loans of more than 12 months and no charge off is made, fair category if the value is 50% -99% provision is available for default loans of more than 12 months and no charge off is made, good category if the value is 100% where provision is available for default loans of more than 12 months and quarterly charge offs are made from time to time, finally excellent category if the value is 100% where provision is available for default loans of more than 12 months and each quarter the charge off is carried out consistently. (KNA Agung, 2012).

1.1. The ratio of the availability of risk reserve funds to default loans for > 12 months

**Table 1 Availability of risk reserve funds for total loans > 12 months**

<b>CALCULATION OF RISK RESERVE FUNDS FOR TOTAL LOANS &gt; 12 MONTHS</b>					
<b>NO</b>	<b>Year</b>	<b>Risk Reserve Funds</b>	<b>Total Non-Performing Loans &gt; 12 Months</b>	<b>P1</b>	<b>Standard</b>
1	2020	1.547.501.564	3.674.362.500	42,12	100%
2	2021	1.661.838.064	6.236.635.998	26,65	100%
3	2022	1.800.491.288	11.681.223.132	15,41	100%

Source: 2023 secondary data, processed

Based on the data in table 1. regarding the availability of risk reserve funds for total loans of more than 12 months from 2020 to 2022 there has been an increase, with a value in 2020 of IDR 1,547,501,564 then an increase of IDR. 1,661,838,064 in 2021, and in 2022 there will also be an increase of Rp. 1,800,491,288. The total non-performing loans of more than 12 months owned by KSP KOPKARDIOS from 2020 to 2022 is always increasing, with the following details from table 4.1. in 2020 the value of bad loans owned by KSP KOPKARDIOS is Rp. 3,674,362,500, then increase in 2021 by Rp. 6,236,635,998 and will

increase again in 2022 of Rp. 11,681,223,132. Protection calculation value or P1 strength value in table 1. also decreased from 2020 to 2022. The details are as follows in 2020 the percentage obtained was 42.12%, in 2021 there was a decrease of 26.65% and finally in 2022 there was also a decrease of 15.4% .

1.2. Availability of risk reserve funds for total loans < 12 months

**Table 2 Availability of risk reserve funds for total loans < 12 months**

<b>CALCULATION OF RISK RESERVE FUNDS FOR TOTAL LOANS &lt; 12 MONTHS</b>					
<b>NO</b>	<b>Year</b>	<b>Risk Reserve Funds</b>	<b>Total Non-Performing Loans &lt; 12 Months</b>	<b>P2</b>	<b>Standard</b>
1	2020	- 2.126.860.936	3.974.300.500	-53,52	35%
2	2021	- 4.574.797.934	19.565.605.005	-23,38	35%
3	2022	- 9.880.731.844	11.297.190.737	-87,46	35%

Source: 2023 secondary data, processed

Based on Table 2 regarding the calculation of risk reserve funds for total loans of less than 12 months, data is obtained in the form of risk reserve funds for less than 12 months for three consecutive years, based on the data obtained there has been a decrease from 2020 to 2022 with details in 2020 the risk reserve value is -2,126,860,936, in 2021 the risk reserve value will be -4,574,797,934, then in 2022 the risk reserve value will be -9,880,731,844. Table 2 also presents data regarding the total default credit value of less than 12 months from 2020 to 2022, with details of the total default credit score of less than 12 months. In 2020 it was 3,974,300,500, in 2020 this value increased to 19,565,605,005, and then in 2022 there was also an increase of 11,297,190,737. Protection calculation value or P2 strength value in Table 2, experienced a decrease from 2020 to 2022. The details are as follows: in 2020 the percentage obtained is -53.52, in 2021 the percentage value is 23.38 and finally in 2022 the percentage value is -87.46.

**2. EFFECTIVE FINANCIAL STRUCTURE**

2.1. Outstanding Accounts Receivable Ratio

The reference used for the ratio of outstanding receivables is categorized as poor if the resulting value is below 50% of total assets, for a value of 51-69% of total assets it is categorized as fair, while for a value of 70-80% of total assets it is categorized as good, and the latter is said to be excellent if the value reaches 80% and above of total assets.

**Table 3 Outstanding Accounts Receivable Ratio**

<b>CALCULATION OF OUTSTANDING ACCOUNTING RECEIVABLES E1</b>					
<b>No</b>	<b>Year</b>	<b>Total Of Outstanding Account Receivable</b>	<b>Total Asset</b>	<b>E1 %</b>	<b>Standard</b>
1	2020	53.098.922.398	71.385.654.615	74,38	70-80%
2	2021	63.671.309.881	77.354.377.669	82,31	70-80%
3	2022	67.107.968.134	84.080.615.997	79,81	70-80%

Source: 2023 secondary data, processed

In the column of total outstanding receivables there has been an increase where the data for 2020 shows total outstanding receivables of Rp. 53,098,922,398, then the total outstanding receivables will increase in 2021 by Rp. 63,671,309,881 and in 2022 the value of total receivables will also increase by Rp. 67,107,968,134. The next column is total assets from the last 3 years, namely from 2020 to 2022 there is also an increase every year, where the data shows the total asset value in 2020 is Rp. 71,385,654,615, then in 2021 there will be an increase in asset value of Rp. 77,354,377,669 and finally in 2022 there will also be an increase in asset value of Rp. 84,080,615,997. For the results of the calculation of column E1 there is an increase every year.

With details in 2020 the results of the E1 calculation get a value of 74.38%, for 2021 the value of the E1 calculation will increase by 82.31% and in 2022 the E1 calculation value will also increase by 79.81%.

**2.2. Non-Share Savings Ratio (E5)**

The reference used for the ratio of outstanding receivables is categorized as poor if the resulting value is below 50% of total assets, for a value of 51-69% of total assets it is categorized as fair, while for a value of 70-80% of total assets it is categorized as good, and the latter is said to be excellent if the value reaches 80% and above of total assets.

**Table 4 Calculation of Non-Share Savings Ratio (E5)**

No	Year	Total of Non-Share Saving	Total Assets	E5	Standard
1	2020	26.584.535.487	71.385.654.615	37,24	70-80%
2	2021	28.052.888.381	77.354.377.669	36,27	70-80%
3	2022	30.440.984.770	84.080.615.997	36,20	70-80%

Source: 2023 secondary data, processed

The table for calculating non-share deposits shows the total value of non-share savings in 2020 is IDR 26,584,535,487, then in 2021 there will be an increase in the value of non-share savings of IDR. 28,052,888,381 then there was an increase in the value of non-share deposits of Rp. 30,440,984,770 in 2022. Furthermore, based on data for calculating non-share deposits in 2020, the percentage obtained was 37.24%, then there was a decrease in the percentage of 36.27% in 2021, and finally in 2022 the percentage obtained also decreased by 36.20%.

**2.3. Ratio of loans to outsiders (E6)**

In assessing the ratio of loans to outsiders or third parties, there are several categories. The category is if the value is more than 30% of total assets, it is included in the poor category, for the fair category the value is 20-30% of total assets, while it is said to be a good category if the value is 1-19% of total assets and is in the excellent category if the value is 0.

**Table 5 Calculation of Loans to outsiders (E6)**

No	Year	Total of Loans to Outsiders	Total Assets	E6	Standard
1	2020	100.000.000	71.385.654.615	0,14	< 5%
2	2021	100.000.000	77.354.377.669	0,13	< 5%
3	2022	100.000.000	84.080.615.997	0,12	< 5%

Source: 2023 secondary data, processed

Based on the data contained in the table above, the value of loans from outside parties or loans from third parties over the past three years has the same value, namely Rp. 100,000,000. Furthermore, the data listed in the table above contains data on total assets from 2020 to 2023, for 2020 the total asset value owned by the Institute is Rp. 71,385,654,615, for 2021 the total asset value increases with a total value of Rp. 77,354,377,669 then for 2022 the total asset value will increase by Rp. 84,080,615,997. In the column for calculation of External Loans there is a decrease in percentage from the last three years, namely with a value of 0.14% in 2020 it fell to 0.13% in 2021, and in the last year there was a decrease in percentage of 0.12% in 2022.

**2.4. Net institutional capital ratio (E9)**

Net institutional capital ratio (E9) is included in the poor category if the value is below 4% of total assets, is included in the fair category if the value is 5-9% of total assets, is included in the good category if the value is 10% of total assets and is included in the excellent category if the value is above 10%.

**Table 6 Calculation of Institutional Capital from Total Assets**

Calculation of Net Institutional Capital (E9)					
No	Year	Total of Net Institutional Capital	Total Assets	E9	Standard
1	2020	36.301.191.434	385.654.615	50,85	≥10%
2	2021	39.265.526.276	77.354.377.669	50,76	≥10%
3	2022	42.651.047.720	84.080.615.997	50,73	≥10%

Source: 2023 secondary data, processed

Table 6 regarding institutional calculations shows data regarding total institutional capital, total assets, along with data for calculating the E9 component for the last 3 years. The details of the table above are as follows, in the column for institutional capital, the value of institutional capital in 2020 is 36,301,191,434, then in 2021 the value of institutional capital is recorded as 39,265,526,276 and in 2022, the value of institutional capital is 42,651,047,720. The next column is total assets for the last 3 years, namely from 2020 to 2022, where the data shows the total asset value in 2020 is Rp. 71,385,654,615, then in 2021 there will be an increase in asset value of Rp. 77,354,377,669 and finally in 2022 there will also be an increase in asset value of Rp. 84,080,615,997. The calculation value of the E9 component for the last three years obtained the following data: in 2020 the percentage value was 50.85, then in 2021 the E9 component calculation obtained a percentage of 50.76 and finally in 2022 a percentage of 50.73 was obtained.

### 3. ASSET QUALITY

#### 3.1. Default Loan (A1)

In the default loan ratio (A1), it is said to be poor if the value is more than 10% of the total outstanding loans, it is included in the fair category if the value is 6-10% of the total outstanding loans, it is included in the good category if the value is below 5% of outstanding loans and is in the excellent category if the value is 0.

**Table 7 Calculation of Default Loan**

Calculation of Default Loan (A1)					
No	Year	Total of Default Loan	Total of Outstanding Loan	A1 (%)	Standard
1	2020	33.674.362.500	53.098.922.398	63,42	< 5%
2	2021	25.802.241.003	63.671.309.881	40,52	< 5%
3	2022	22.978.413.869	67.107.968.134	34,24	< 5%

Source: 2023 secondary data, processed

Table 7 shows data regarding the calculation of KSP KOPKARDIOS default loans for the last three years, from 2020 to 2022. There is some data listed in the table above, where in the third column the data for default receivables for the last three years has been impaired by details in 2020 with a total value of negligent receivables of 33,674,362,500, then in 2021 the value of negligent receivables will be 25,802,241,003 and finally in 2022 the value of negligent receivables will decrease to 22,978,413,869. The next data displayed in the fourth column in the table above is data on the number of outstanding loans over the last three years, in 2020 the value of outstanding receivables was 53,098,922,398, then there was an increase in the value of outstanding receivables during 2021 amounting to 63,671,309,881 and in 2022 the value outstanding receivables increased to 67,107,968,134. Calculations regarding default loans for the last three years are recorded in the fifth column where the calculation results for 2020 get a percentage value of 63.42%, then the default loan calculation value in 2021 drops to 40.52%, and in 2022 the percentage value for loan calculations negligent to 34.24%.

**3.2. Calculation of non-producing assets (A2)**

In the non-producing asset ratio (A2), it is included in the poor category if the value is more than 10% of total assets, it is included in the fair category if the value is 6-9%, it is included in the good category if the value is 5% of total assets and it is included in the category excellent if the value is less than 5% of total assets.

**Table 8 Calculation of non-producing assets**

Calculation of non-producing assets (A2)					
	Year	Total of non-producing assets	Total assets	A2%	Standard
	2020	6.240.025.576	71.385.654.615	8,74	< 5%
	2021	6.432.202.364	77.354.377.669	8,32	< 5%
	2022	8.956.939.017	84.080.615.997	10,65	< 5%

Source: 2023 secondary data, processed

The data obtained regarding total non-yielding assets has increased for three consecutive years. The details based on the table above are that in 2020 the total non-yielding asset value is 6,240,025,576, for 2021 the total non-yielding asset value increases to 6,432,202,364 and for 2022 the total value of non-producing assets will increase again to 8,956,939,017. Based on the data in the table above, the calculation results regarding the calculation of the percentage of non-yielding assets from 2020 to 2022 are in 2020 the percentage of non-yielding assets is 8.74%, in 2021 the percentage obtained regarding non-yielding assets is 8.32% then in 2022 the percentage obtained regarding non-yielding assets is 10.65%.

**4. RATES OF RETURN AND COST**

**4.1. Finance Cost Ratio (R7)**

The Financial Cost Ratio (R7) is included in the poor category if the interest on stock deposits (dividends) is paid below market interest rates, it is included in the fair category if the interest costs for stock deposits (dividends) are paid below market interest rates, it is included in the good category if the interest costs for deposits shares (dividends) are paid 1% higher than market interest rates and are included in the excellent category if interest costs for stock deposits (dividends) are paid at market interest rates.

**Table 9 Financial Cost Ratio**

CALCULATION OF RETURN ON SHARE DEPOSIT R7					
	Years	Cost of Member Services	Average Basic Savings And Required Savings	R7%	Standard
	2020	1.917.307.107	4.176.718.522	45,90	> 4.50%
	2021	2.177.763.260	4.725.635.514	46,08	>4.25%
	2022	2.366.226.087	5.280.091.014	44,81	>5.50%

Source: 2023 secondary data, processed

Based on the data in the table above, there was an increase and decrease in the value of member remuneration from 2020 to 2022. Data for 2020 shows the value of member remuneration worth 1,917,307,107, then in 2021 the data shows an increase in the value of member remuneration worth 2,177,763,260 and in 2022 there will be an increase in the value of member compensation to 2,366,226,087. In table 4.9, data is also presented regarding the average basic savings and mandatory savings held by KSP KOPKARDIOS members for the last three years. The details are as follows. In 2020, the average basic savings and mandatory savings for members was 4,176,718,522, in 2021 the average is 4,176,718,522. the average value of principal and mandatory savings will be 4,725,635,514 and in 2022 the average value of principal and mandatory savings will be 5,280,091,014. The results of calculations regarding the return of costs on stock savings based on existing data produce the following data, in 2020 the percentage obtained was 45.90%, in 2021 the calculation of the percentage of cost returns on stock savings increased to 46.08%, but in 2022 there was a decrease percentage to 44.81%.



**4.2. Operating Expense Ratio (R9)**

In the operating expense ratio (R9), it is included in the poor category if the operating costs to assets are on average below 5% of the average assets and the staff is inadequate to carry out operational tasks, it is included in the fair category if the operating costs to assets are on average below 5%, it is in the good category if the average operational cost to assets is 5% and it is included in the excellent category if the operational cost to assets is on average 5% and maintains an adequate number of staff.

**Table 10 Operating Expense Ratio**

Calculation of Operating Expense Ratio R9					
No	Year	Total of Operating Expense	Average of Asset Total	R9 (%)	Standard
1	2020	6.674.955.242	66.876.716.906	9,98	5%
2	2021	7.521.256.745	74.370.016.142	10,11	5%
3	2022	8.184.679.589	80.716.996.833	10,14	5%

Source: 2023 secondary data, processed

The data in the table above attaches the value of the total operational costs of the Institute, where in 2020 the total operational costs of the Institution are worth 6,674,955,242, the total operational costs of the Institution in 2021 will increase to 7,521,256,745 and in 2022 the total operational costs of the Institution will increase to 8,184. .679,589. The further data presented in the table above is regarding the total average assets of the Institution, in 2021 the total average assets owned by the Institution are 66,876,716,906, there is an increase in the average total assets in 2021 to 74,370,016,142, then in 2022 the average total asset value will increase again to 80,716,996,833. In connection with the data that has been presented in the table above, the next data is regarding the percentage of calculation results regarding the calculation of operational costs where after calculating the percentage value of calculating operational costs in 2020 is 9.98%, in 2021 the percentage value increases to 10.11 % and there is an increase in the percentage of calculating operational costs in 2022 to 10.14%.

**5. LIQUIDITY**

This ratio compares liquid investments, liquid assets, long-term debt to non-share and time deposits. liquidity investment ratio (L1), included in the poor category if the value is below 10% of total non-stock deposits, included in the fair category if the value is 10-15% of total non-stock deposits, included in the good category if the value is 15% of total assets and is included in the excellent category if the value is above 15% of total non-share deposits.

**Table 11. Liquidity Investment Calculation**

Liquidity Investment Calculation							
No	Year	Investment Total	Current Liability	Reduce Results	Total Non-Share Deposit	Percent age	Standard
	2020	64.603.581.306	33.438.004.975	31.165.576.331	26.584.535.487	117	15-20%
	2021	70.311.762.572	35.873.625.367	34.438.137.205	28.052.888.381	123	15-20%
	2022	74.619.752.093	35.770.089.337	38.849.662.756	30.440.984.770	128	15-20%

Source: 2023 secondary data, processed

In Table 11. The calculation of Liquidity Investment displays data regarding Total Current Investment, Current Liabilities, Total Non-Share Deposits and Percentage of Liquidity Investment Calculation. Based on the table above, there has been an increase for each item calculated from 2020 to 2022. Total Current Investment in 2020 shows a value of 64,603,581,306, then in 2021 the total Current Investment will increase to 70,311,762,572, and in 2022 the total Current Investment will increase again to 74,619,752,093. The value of Current Liabilities is 33,438,004,975 in 2020, then it will increase in 2021 to 35,873,625,367, but in 2022 the value of Current Liabilities will decrease to 35,770,089,337. The total value of Non-Share Deposits tends to increase every year, namely in 2020 it is 26,584,535,487 while in 2021 it is 28,052,888,381, and in 2022 it is 30,440,984,770. Based on existing data, the Percentage of Liquidity Investment Calculation in 2020 is 117%, in 2021 is 123% and in 2022 is 128%.

## 6. SIGN OF GROWTH

### 6.1. Member growth ratio (S10)

In the member growth ratio (S10), it is included in the poor category if the value is less than 5%, it is included in the fair category if the value is 5-11%, it is included in the good category if the value is 12% and it is included in the excellent category if the value is above 12%.

**Table 12 Calculation of Member growth ratio**

Calculation of Member growth ratio S10							
No	Year	Member of current year	Member of last year	Reduce results	Member of last year	S10 (%)	Standard
1	2020	13.603	12.446	1.157	12.446	9,30	> 12%
2	2021	15.004	13.603	1.401	13.603	10,30	> 12%
3	2022	16.403	15.004	1.399	15.004	9,32	> 12%

Source: 2023 secondary data, processed

In Table 12 above the number of members last year was 12,446 members, while the number of members for the current year was 13,603 members, in 2021 the number of members for the current year was 15,004 members and in 2022 the number of members for the current year has increased to 16,403 members. The percentage of growth calculation for S10 members in 2020 was 9.30%, then it increased in 2021 to 10.30% and decreased again in 2022 to 9.32%.

### 6.2. Asset Growth (S11)

In the asset growth ratio (S11), it is included in the poor category if the value is lower than the inflation rate, it is included in the fair category if the value is 1-4% higher than the inflation rate, it is included in the good category if the value is 5-9% higher than the inflation rate. inflation and is included in the excellent category if the value is 10% higher than the inflation rate.

**Table 13 Calculation of Asset Growth**

No	Year	Current year assets	Last year assets	Reduce results	Last year assets	S11 (%)	Standard
1	2020	71.385.654.615	62.367.779.198	9.017.875.417	62.367.779.198	14,46	> 1.68%
2	2021	77.328.391.669	71.385.654.615	5.942.737.054	71.385.654.615	8,32	> 1.87%
3	2022	84.080.615.997	77.328.391.669	6.752.224.328	77.328.391.669	8,73	> 5.51 %

Source: 2023 secondary data, processed

In Table 13 Growth in Total Assets in 2019 was 62,367,779,198 while in 2020 it was 71,385,654,615, then in 2021 it was 77,328,391,669 and in 2022 it was 84,080,615,997. So that from these calculations the Percentage of Growth in Capital Assets S11 is in 2020 it will be 14.46%, in 2021 it will be 8.32% and in 2022 it will be 8.73%.

### 4.3. Discussions

Financial performance appraisal (P1) from 2020 to 2022 has decreased every year, where the ratio calculation value obtained in 2020 was 42.2%, then in 2021 the ratio calculation value decreased to 26.65%, in 2022 the ratio calculation value fell again to 15.41%. The decrease in the calculation of the ratio over the last three years could be due to the total default loans of >12 months owned by KSP KOPKARDIOS each year exceeding the size of the risk reserve fund so that this causes KSP KOPKARDIOS to not have enough risk reserve funds to cover defaults of >12 months. This can be seen from the category of ratios for the last three years obtained by institutions that fall into the category of poor.

In the financial performance assessment (P2) from 2020 to 2020 it experienced a very bad value where the ratio calculation obtained by the KSP KOPKARDIOS Institution did not reach the ideal value, where the percentage in 2020 showed a value of -53.52%, then in 2021 the percentage value is -23.38% and finally in 2022 the percentage value will be -87.46%. This could be due to the value of the risk reserves owned by the Institution to cover defaulted loans <12 months minus, so that the category for the calculation ratio (P2) is included in the poor category, based on the assessment of P1 and P2 it is expected that in the

following year the Institution will increase or allocate risk reserve funds more, in addition to that the Institution is expected to better control default loan rates.

Assessment of financial performance in the aspect of Effective Financial Structure (E1) for three consecutive years from 2020-2022 has experienced increases and decreases. The results of calculating the ratio in 2020 show a percentage of 74.38%, then in 2021 the calculation of the ratio will increase to 82.31%, and in 2022 there will be a decrease in the percentage to 79.81%. Based on the calculation of the ratio above for the category of assessing financial performance in this aspect, KSP KOPKARDIOS will be included in the good category in 2020 and 2022, while in 2021 this institution will be included in the excellent category. The decline in the assessment of the financial performance of this aspect could be due to the fact that the total assets invested in the loan are still lacking, so it is hoped that in the following years the institution can invest more assets than in 2020 and 2022.

Assessment of financial performance in the Effective Financial Structure (E5) aspect for three years from 2020-2022 has decreased, the percentage for calculating this aspect ratio in 2020 shows a percentage value of 37.24%, in 2021 the percentage for calculating this ratio drops to 36.27 %, and in 2022 there will be another decrease to 36.20%, so that based on the calculation above KSP KOPKARDIOS in the assessment of this aspect it is included in the poor category, this can happen because the total assets funded by non-share deposits are still lacking, so it is hoped that the Institution will pay more attention this is so that in the next financial year the Institution can enter in a better category.

Assessment of the financial performance of the Effective Financial Structure (E6) aspect for the last three years from 2020 to 2022, the ratio calculation results are below a value of less than 5%, where in 2020 the percentage obtained is 0.14%, in 2021 percentage to 0.13%, and in 2022 the percentage will be 0.12%. Based on these calculations, for evaluating this aspect, the KSP KOPKARDIOS Institute is in the excellent category. Institutions fall into this category because there are not too many assets sourced from third parties. The evaluation of the financial performance of the Effective Financial Structure (E9) aspect in 2020-2022 is included in the excellent category, this can be seen from the percentage ratio owned by the KSP KOPKARDIOS Institute in 2020 of 50.85%, then in 2021 of 50.76%, and in 2022 by 50.73%. Based on this value, it can be concluded that the percentage of the total value of assets funded by institutional capital is relatively large.

Assessment of the financial performance aspect of Asset Quality (A1) from 2020-2022 has continued to decrease based on the calculation results, the percentage data obtained in 2020 was 63.42%, then in 2021 the ratio calculation results fell to 40.52% , and in 2022 it will be 34.24% with this calculation, the KSP KOPKARDIOS Institution will be included in the poor category, which means that in this aspect the Institution has not been able to control the level of bad loans, besides that the Institution is included in the poor category due to the continuing increase in outstanding loans, while the total assets owned by the increasing institution are not too large. So it is hoped that the Institution will maximize financial performance, especially in this aspect. Assessment of the financial performance aspect of Asset Quality (A2) from 2020-2022 has decreased and increased in percentage, where in 2020 the percentage obtained was 8.74%, then decreased to 8.32% in 2021, and in 2022 there was an increase to 10.65 %. Based on these calculations, in this aspect, the KOPKARDIOS KSP Institution will be included in the fair category in 2020 and 2021, then will be included in the poor category in 2022, this is because the comparison between non-producing assets and total assets is not ideal where the actual ideal value is less of or equal to 5.00 percent of total assets.

Assessment of financial performance aspects (R7) for the last three years, namely in 2020 it shows a percentage of 45.90%, then in 2021 it rises to 46.08% and in 2022 it drops to 44.81% even though during these three years it has increased and a decrease in percentage, for this aspect the KSP KOPKARDIOS Institution is in the Excellent category. This can be interpreted as the Institution providing reasonable remuneration to members because the remuneration provided is offset by total assets that increase every year. The assessment of the financial performance aspect (R9) for three years from 2020-2022 shows the results of calculating the percentage ratio in 2020 of 9.98%, then in 2021 it will increase to 10.11%, and in 2022 it will become 10.14%. Based on the results of these calculations, the KOPKARDIOS KSP Institution is included in the fair category, this is because the large operational costs incurred by the Institution are not effective where the ideal value for the Institution's operational costs is 5%, so it is hoped that for the following year the Institution can minimize operational expenses.

Assessment of the aspect of financial performance (L1) in 2020-2022 continues to increase, in 2020 the ratio calculation results show a value of 117.23%, then in 2021 the percentage rises to 122.76%, and in 2022 there will be another increase to 127.62% so that based on the results of these calculations KSP KOPKARDIOS is in the Excellent category. Institutions can be included in this category because the institution has enough funds to anticipate the withdrawal of members' savings.

Assessment of financial performance aspects (S10) in 2020-2023 where in 2020 the percentage calculation results obtained were 9.30%, then in 2021 the percentage obtained was 10.30%, and in 2022 the value obtained was 9.32%. based on the results of these calculations, the KOPKARDIOS KSP is included in the fair category, this is caused by the many members who have joined but have not been able to make the Institution enter in a better category, so it is hoped that the Institution will work even harder to add

members. Assessment of financial performance (S11) in 2020-2022, the results of calculating the ratio obtained in 2020 were 14.46%, then in 2021 it was 8.32% and in 2022 it was 8.73%. Based on this calculation, for this aspect, KSP KOPKARDIOS will be included in the excellent category in 2020, in 2021 the institution will be included in the Good category, and in 2022 the institution will be included in the Fair category. the calculation of the ratio is 10% higher than the inflation rate, for 2021 the total asset growth is quite large, besides that the results of the ratio calculation show 5-9% higher than the inflation rate while for 2022 the total asset growth is still lacking, where the results of the calculation of the growth ratio its value is 1-4% higher than the inflation rate.

## **5. CONCLUSIONS**

Overall, the financial performance of KSP KOPKARDIOS through PEARLS analysis from 2020-2022 is in the category of Poor, Fair, Good and Excellent. Based on the results of this study, the KSP KOPKARDIOS Institute is expected to improve financial performance on the indicators in the PEARLS analysis, especially indicators that fall into the poor category such as protection indicators P1 and P2, effective financial structure indicators (E5), asset quality indicators (A1) and indicators that fall into the fair category such as the asset quality indicator (A2), the Rates Of Return And Cost indicator (R9) and the Sign Of Growth indicator (S10).

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