

Financial Performance of Savings and Loan Cooperatives in Perspective Fund Management and Governance

Nur Cahyani Ahmad¹, Siti Ridho Rahmayanti², Regina Aggriani Matowa³ Shella Budiawan⁴
Fakultas Ekonomi, Universitas Ichsan Gorontalo, Indonesia^{1,2,3,4}

Corresponding Author: ya625707@gmail.com

ABSTRAK

Penelitian ini bertujuan untuk menganalisis kinerja keuangan koperasi simpan pinjam melalui tinjauan sepuluh jurnal yang mengulas rasio likuiditas, solvabilitas, profitabilitas, efisiensi operasional, dan kualitas tata kelola koperasi. Metode yang digunakan adalah studi literatur dengan menggabungkan analisis jurnal ilmiah dan data pendukung online, sehingga memberikan gambaran yang komprehensif tentang stabilitas keuangan koperasi. Hasil penelitian menunjukkan bahwa sebagian besar koperasi menghadapi masalah likuiditas rendah, ketergantungan utang yang tinggi, profitabilitas yang lemah, dan efisiensi operasional yang tidak optimal. Beberapa koperasi bahkan berada di zona rawan kebangkrutan berdasarkan penilaian Altman Z-Score. Di sisi lain, koperasi yang secara konsisten menerapkan analisis laporan keuangan, memiliki modal sendiri yang kuat, serta menerapkan tata kelola yang baik dan transparansi terbukti memiliki kinerja yang lebih stabil dan tingkat partisipasi anggota yang lebih tinggi. Temuan ini menegaskan bahwa peningkatan kualitas SDM akuntansi, optimalisasi penggunaan teknologi informasi, disiplin analisis rasio keuangan, dan penguatan manajemen risiko merupakan kebutuhan mendesak untuk menjaga keberlanjutan koperasi simpan pinjam di Indonesia.

Kata kunci: Kinerja Keuangan; Laporan Keuangan; Efisiensi Operasional; Tata Kelola Koperasi; Koperasi Simpan Pinjam.

ABSTRACT

This study aims to analyze the financial performance of savings and loan cooperatives through a review of ten journals that review liquidity ratios, solvency, profitability, operational efficiency, and quality of cooperative governance. The method used is a literature study by combining analysis of scientific journals and online supporting data, so as to provide a comprehensive picture of the financial stability of the cooperative. The results of the study show that most cooperatives face problems of low liquidity, high dependence on debt, weak profitability, and suboptimal operational efficiency. Some cooperatives are even in the bankruptcy-prone zone based on the Altman Z-Score assessment. On the other hand, cooperatives that consistently apply financial statement analysis, have strong own capital, and implement good governance and transparency are proven to have more stable performance and higher levels of member participation. These findings confirm that improving the quality of accounting human resources, optimizing the use of information technology, discipline of financial ratio analysis, and strengthening risk management are urgent needs to maintain the sustainability of savings and loan cooperatives in Indonesia.

Keywords: financial performance; financial statements; operational efficiency; cooperative governance; savings and loan cooperatives.

INTRODUCTION

The general role of savings and loan cooperatives is as an institution that collects and manages funds from its members to then be redistributed in the form of loans that are beneficial to the welfare of members. Cooperatives function to provide easy, safe, and affordable access to finance, especially for people who find it difficult to get financing from formal institutions such as banks. In carrying out their activities, savings and loan cooperatives are obliged to provide transparent and accountable financial reports, including recording member deposits, distributing loans, paying instalments, and distributing Residual Business Results (SHU). This role aims to ensure that members' funds are managed professionally so as to foster trust and prevent misuse of funds. In addition, financial statements are used to evaluate the performance of cooperatives and ensure that business activities run healthily, efficiently, and in line with the principles of the people's economy. Thus, the general role of savings and loan cooperatives is not only limited to borrowing and storing money, but also as an economic empowerment institution that upholds the values of transparency and justice.

The special role of savings and loan cooperatives is to manage financial activities directly related to members' deposits and loans in detail and measurably. The cooperative is in charge of recording every type of deposit such as principal deposits, mandatory deposits, and voluntary deposits, as well as regulating the distribution of loans according to procedures and abilities of members. In addition, cooperatives are required to manage income from business services or loan interest, as well as control the risk of non-performing or uncollectible loans. In the financial statements, cooperatives must present data that describes the level of smooth installments, SHU calculations based on member contributions, and capital capabilities in supporting loan distribution. It also serves as a basis for determining interest rates, lending limits, and fair and effective collection policies. Thus, the special role of savings and loan cooperatives is to ensure that financial services run on target while maintaining business sustainability through accurate recording, control, and decision-making based on financial statements.

The current financial performance condition of savings and loan cooperatives shows that many cooperatives are still in a fairly healthy position but are facing structural challenges. In terms of liquidity, most cooperatives have limited ability to meet short-term obligations due to low *current ratios* and *cash ratios*. This indicates that the availability of cooperative cash is often unstable, so the ability to disburse loans quickly to members still depends on the cash flow from ongoing instalments. For the community, this condition means that access to loans remains, but the size of the ceiling and the speed of service can be affected by the liquidity condition of the cooperative.

At this time, the public's need for savings and loan cooperatives is getting higher along with the increasing need for easy, fast, and affordable access to finance. Many people, especially MSME actors, small traders, informal workers, and lower-middle-income households, still face difficulties in obtaining credit services from banks due to strict requirements, procedures long, and the lack of guarantees that are had. In these conditions, savings and loan cooperatives are a realistic alternative and are needed because they offer flexible requirements, faster disbursement processes, and loan costs that tend to be lighter than non-formal institutions such as loan sharks. In addition, cooperatives also provide savings facilities that encourage saving habits and help people manage their finances better.

Furthermore, in a volatile economic situation, such as post-pandemic, rising inflation, and unstable people's purchasing power, people's needs for community-based financial institutions are getting stronger. Savings and loan cooperatives are needed because they provide a sense of security through a family system and mutual cooperation, where business profits are returned to members.

Many people now also need institutions that are able to provide financial education, report transparency, and services that can be accessed without digital or geographical barriers. Therefore, the existence of savings and loan cooperatives is not only a provider of credit and savings, but also as a support for the economic stability of families and small businesses, as well as a pillar of financial inclusion that continues to be needed by people at various levels.

Despite its very strategic role, various articles show that Savings and Loan Cooperatives still face a number of fundamental problems in their financial management. According to Resti Marinda Listanti's research, with the title "Analysis of the Financial Performance of Savings and Loan Cooperatives (Case Study on the FS MSME Cooperative of Pasar Sumpiuh)". Cooperative financial management should follow cooperative financial health standards, namely maintaining a liquidity level through a current ratio of at least 125%, having a sufficient cash ratio to meet short-term obligations, strengthening the capital structure with its own capital at least 40% of total liabilities, and generating optimal profits through a healthy ROA and ROE ratio.

However, the conditions found in the Sumpiuh Market MSME FS Cooperative actually show that its financial management is not up to standard, characterized by a current ratio that is only in the range of 100.56%–108.69%, an average cash ratio of 38.19%, and a very low net worth to debt ratio of 4.81%, accompanied by a very high total debt to asset ratio of 92%–99%. The profitability of cooperatives is still below the ideal standard. If this kind of financial management condition continues, cooperatives risk having difficulty fulfilling their obligations to members, increasing dependence on debt, weakening profit-making ability, declining member confidence, and potentially not passing the cooperative's health assessment which can have an impact on strict supervision or even the dissolution of the cooperative.

Many cooperatives do not have adequate financial statement analysis, leading to weak detection of risks such as non-performing financing, low cost efficiency, and inability to meet liquidity obligations optimally. Some cooperatives also experience the potential for bankruptcy, such as the Bhina Raharja Savings and Loan Cooperative, which is in a vulnerable area based on the Altman Z-Score analysis even though it has fairly good liquidity. Other problems that often arise are the low quality of productive assets, the high ratio of non-performing financing, as well as the inefficiency of the use of fixed assets and operational costs, as found in the KSPPS BMT Artha Barokah which shows that some ratios are in the unhealthy category. The low competence of human resources in financial recording and analysis is also an obstacle that is often encountered in small-scale cooperatives.

Financial statement analysis is very important because it serves as a tool to assess the financial health of cooperatives, increase accountability, and strengthen good governance. Various articles affirm that financial ratios such as liquidity, solvency, profitability, efficiency, and quality of productive assets can help managers detect financial problems early and make more informed decisions in managing members' funds. Based on research by Mira Santika Miranda et al. (2025) entitled "The Application of Financial Statement Analysis to Increase Financial Transparency of Savings and Loan Cooperatives", it is stated that financial statements should be the main tool to ensure transparency, accountability, and the basis for proper decision-making in cooperatives. This study emphasizes that financial statements not only need to be prepared regularly, but also must be analyzed using financial ratios such as liquidity, solvency, and profitability so that cooperative managers can detect financial problems early and take corrective steps quickly. In addition, good financial statements must be able to be a clear medium of communication between management and members, thereby increasing the level of trust and participation of members.

This study also emphasizes that without properly analyzed financial statements, cooperatives will face the risk of inefficiency, low member trust, and weak governance, so financial statements should be the main foundation for maintaining financial health and sustainability of cooperatives.

The application of financial statement analysis is also a demand of government regulations, such as the guidelines for cooperative health assessment in the Regulation of the Deputy for Supervision No. 07/Per/Dep.6/IV/2016, which is used as a standard for KSPPS health evaluation in various studies. In addition, cooperatives that routinely apply financial analysis are proven to have a higher level of member participation and operational efficiency than cooperatives that do not conduct periodic analysis. Therefore, the analysis of financial statements is not only important to ensure the sustainability of cooperatives, but also to maintain member trust and increase the competitiveness of cooperatives in the financial services industry.

Financial statements have a very important role in savings and loan cooperatives because they are the main basis for ensuring transparency and accountability in the management of members' funds. Through financial statements, the management can clearly show the financial condition of the cooperative, starting from the amount of deposits, loans, to the business results obtained. This information helps assess the performance of the cooperative, determine the level of financial health, and serve as a reference in strategic decision-making such as interest rates, capital increases, or cost control. In addition, financial statements strengthen members' confidence because they show that their funds are managed professionally and according to the principle of prudence. Accurate reports are also needed to comply with regulatory requirements, support the audit process, and calculate the fair distribution of Residual Business Results (SHU). Thus, financial statements are not only as transaction records, but also as an important instrument in maintaining the sustainability and credibility of the cooperative.

METHOD:

This study uses a research method that combines previous journal reviews and data sources from Google Scholar search results, which is a combined approach between field research and library research. Review Against the Previous: Shows that savings and loan cooperatives have an important role as community-based financial institutions that provide fast, easy, and affordable access to financing for the community. However, various previous articles and research reviewed in the document reveal that cooperatives still face various obstacles related to financial management, especially in the aspects of liquidity, solvency, profitability, operational efficiency, and quality of cooperative governance.

Data Sources from Google Scholar Search: Through Google search, we can find sources of information such as reports, news articles, government documents, presentations, and other online sources that may not be included in scientific journals. This can provide additional insights, data, or perspectives that are relevant to the research topic. However, we must make sure to evaluate the reliability and validity of these sources before using them in research.

The combination of previous journal reviews and data sources from Google allows researchers to:

1. Understand the existing theoretical foundations and the latest developments in a particular field.
2. Identify areas where knowledge is still limited or where more research is needed.
3. Collecting additional data that may not be available in scientific journals broadens the understanding of research topics.

4. Develop a framework or hypothesis based on information found from various sources.
Provides a more comprehensive insight into the topic being researched.

Table 1. Characteristics of the articles analyzed
Financial data 2020–2024

Author Name	Year	Country	Research Objectives	Participants	Design and Data Collection Methods	Findings	Implication
Resti Marinda Listanti	2024	Indonesia	Analyzing the financial performance of the FS MSME Cooperative in the Sumpiuh Market 2020–2024 through financial ratios.	Cooperative financial statements 2020–2024	Quantitative descriptive; Secondary data of financial statements	Liquidity is not safe, solvency is poor, profitability is low.	Need to improve working capital and operational efficiency.
Nur Zakiah et al.	2022	Indonesia	Analyzing the development of the financial performance of KSPPS BMT Artha Barokah 2015–2019.	Financial data 2015–2019	Quantitative descriptive; documentation; Ministerial Regulation No.07/Per/Dep.6/I V/2016	Some aspects are healthy, but liquidity is low & profitability is weak.	Strengthening risk management & increased efficiency.
Docman Marulitua Situmoran g	2023	Indonesia	Knowing the financial performance of KSP Bhina Raharja 2016–2019 and predicting the potential for bankruptcy with Altman Z-Score.	Financial statements 2016–2019	Descriptive; Financial Statement Analysis & Altman Z-Score	Performance is quite good, the potential for bankruptcy is in a vulnerable area.	It is necessary to manage retained profits more effectively.
See Santika Miranda et al.	2025	Indonesia	Examining the role of financial statement analysis in increasing the transparency of KSP.	Savings and Loan Cooperatives (Case & Literature)	Descriptive qualitative; Case Studies & Literature Analysis	Financial analysis improves transparency & member participation.	There is a need for training and technology adoption.
Sahrul Ihsan	2020	Indonesia	Analyzing the performance of KSP Gunung Rinjani East Lombok is reviewed from financial ratios.	Gunung Rinjani Cooperative	Descriptive; documentation; Ratio Analysis	The performance is quite good in terms of liquidity, solvency and profitability.	The importance of regular evaluations to correct financial weaknesses.
Nanci Octaviani man Tamba & Ardiansyah Putra	2024	Indonesia	Analyzing the financial statements of CU Damai Sejahtera as the basis for assessing financial performance 2020–2022.	Financial statements 2020–2022	Quantitative; Secondary data	ROA is quite healthy, ROE is quite healthy, NPM is very healthy.	Cooperatives need to maintain efficiency and increase profits.
Tri Nur Setiawati et al.	2025	Indonesia	Analyzing the financial performance of KSPPS Usaha Barokah with the ratio of Ministerial Regulation No.35.3/2007.	KSPPS Barokah Business 2022–2024	Documentation, observations, interviews	The capital itself is healthy, liquidity is sufficient, and the profitability of assets is low.	Need to increase capital & better fund management.
Nadia Yulisma Ningsih et al.	2023	Indonesia	Knowing the financial performance of KSP Bhina Raharja 2016–2019 and predicting the potential for bankruptcy with Altman Z-Score.	Financial statements 2019–2021	Descriptive; Observation	Performance is quite good, the potential for bankruptcy is in a vulnerable area.	It is necessary to manage retained profits more effectively.
Dina Alafi Hidayatin et al.	2022	Indonesia	Analyzing the health level of KSPPS BMT NU Singgahan Tuban in 2020.	S.S. S.S.	Descriptive qualitative; Ministerial Regulation No.07/2016	Cooperatives in the healthy category even in pandemic conditions.	The importance of governance and transparency for the sustainability of cooperatives.
Sri Ayu Febrianti & I Gusti Ayu Oka Netrawati	2022	Indonesia	Assessing the performance of KSP Karya Bakti 2019–2021 through liquidity, solvency, and profitability ratios.	Financial statements 2019–2021	Quantitative descriptive	Liquidity is very lacking, solvency is very good, profitability is good.	Management needs to maintain performance & strengthen liquidity.

RESULTS AND DISCUSSION

Result

Based on the compilation of research results from ten documents related to the analysis of the financial performance of savings and loan cooperatives, it is possible to get an idea that most cooperatives face challenges in terms of liquidity, although several other indicators such as solvency, efficiency, and profitability show variations between studies. Several cooperatives such as KSPPS BMT Artha Barokah, KSPPS BMT Al-Ittihad, and FS MSME Cooperative Pasar Sumpiuh show liquidity conditions that are classified as less secure because the current ratio, quick ratio, and cash ratio are below the ideal standard of cooperatives. These findings are reflected in the low ability of cooperatives to meet short-term liabilities through cash and current assets, indicating the need for improvements in cash management and short-term financing strategies. However, some cooperatives such as KSP Karya Bakti actually show very high liquidity, although in the interpretation of the study, the value of extreme liquidity is not always interpreted as optimal because it can indicate over-liquidity that causes less productive assets.

In terms of solvency and capital structure, most cooperatives are in the category of good to healthy. This can be seen from the low ratio of DER and DAR such as in KSP Karya Bakti and KSPPS Usaha Barokah, which reflect a small dependence on debt in asset financing. However, a different finding appeared in the Pasar Sumpiuh MSME FS Cooperative which actually showed a total debt to asset of 92-99 percent, indicating a high dependence on member debt to finance cooperative assets. This difference in conditions illustrates that the capital strength of cooperatives is greatly influenced by their ability to raise their own capital and internal loan management.

In terms of profitability, some studies reported fairly healthy to good conditions, for example at CU Damai Sejahtera which had a fairly healthy ROA and ROE and KSP Karya Bakti which showed a very high NPM. However, some cooperatives such as FS MSMEs and KSPPS Usaha Barokah still face low profitability, which indicates that the ability of cooperatives to optimize their own assets and capital to generate profits is still not optimal. These differences in profitability conditions are closely related to operational efficiency, quality of productive assets, and management's ability to distribute financing effectively.

In addition to the findings of ratio figures that describe financial conditions, several studies such as the work of Miranda et al. highlight that the analysis of financial statements also plays a major role in increasing transparency and member participation, especially if supported by information technology and the application of appropriate accounting standards. Challenges such as limited accounting human resources and low financial literacy are also factors that affect the quality of cooperative reports and decision-making. Other research shows that cooperatives that are able to maintain governance and conduct routine analysis, such as KSPPS BMT NU Singgahan are better able to survive even in the midst of crisis conditions such as the Covid-19 pandemic.

Overall, the discussion of this combined study shows that the financial performance of cooperatives is influenced by cash management capabilities, capital structure, operational efficiency, and quality of financial governance. Cooperatives that have a strong capital foundation, healthy productive asset management, and discipline in compiling and analyzing financial statements are proven to be more stable and able to provide optimal benefits for their members. Meanwhile, cooperatives with weak liquidity and low profitability need a strategy to increase working capital, structuring financing portfolios, and strengthening financial supervision in order to achieve healthier and more sustainable conditions.

Findings from the Reviewed Study:

- Cooperative liquidity is still low Most cooperatives have not met the ideal liquidity standard because the current ratio, quick ratio, and cash ratio are below a healthy limit, so the ability to meet short-term obligations is still weak.
- The capital structure varies but tends to be quite healthy Many cooperatives have solvency ratios of both DER and DAR low, but some cooperatives face a high dependence on debt, indicating a weak capital of their own.
- Profitability is not optimal in most cooperatives The ratio of ROA and ROE in some cooperatives is still low due to high operational costs and low effectiveness of productive asset management.
- Operational efficiency is the main problem Many cooperatives have not been able to manage assets and costs efficiently, so business performance is not optimal and has an impact on declining profits.
- Unstable quality of productive assets Some cooperatives have high non-performing financing ratios and inadequate loss reserves, indicating weak credit risk management.

CONCLUSIONS AND SUGGESTIONS:

Based on the results of a review of ten studies on the financial performance of savings and loan cooperatives, it can be concluded that cooperatives in Indonesia in general are in a fairly healthy condition but still face significant challenges, especially in terms of liquidity, profitability, operational efficiency, and quality of productive assets. Many cooperatives have not been able to meet financial health standards due to weak cash management, high dependence on debt, and low profit-making ability. Nevertheless, cooperatives with good governance, consistent financial statement analysis, and adequate human resource and technology support have proven to be able to achieve more stable and sustainable performance. Thus, the success of cooperatives is greatly influenced by the quality of internal management, transparency, and the application of proper financial management principles.

To improve financial performance and sustainability of cooperatives, it is recommended that cooperatives strengthen liquidity management, increase their own capital, and optimize operational efficiency through cost control and healthy financing portfolio structuring. Cooperatives also need to improve the quality of financial statements regularly according to accounting standards, utilize information technology to support an accurate recording system, and improve human resource competencies through accounting and financial management training. In addition, cooperative health assessments must be carried out periodically so that potential risks can be identified early. Increasing members' financial literacy is also important to encourage participation and strengthen capital, so that cooperatives can grow more steadily and provide optimal benefits for their members.

REFERENCE:

- Febrianti, S. A., Netrawati, I. G. A. O., & 1, 2STIE 45 Mataram. (2022). *The performance of savings and loan cooperatives is reviewed from the financial statements (Study on Ksp Karya Bakti)*. 11(2).
- Hidayatin, D. A., Sari, R. P., & Sari, N. (2022). *Analysis of the Financial Health of Sharia Savings and Loan Cooperatives and Financing in the Midst of the Covid19 Pandemic*. 10(03).
- Ihsan, S. (2020). *Analysis of Financial Performance in the Gunung Rinjani Savings and Loan Cooperative (KSP) East Lombok - NTB*. 4(1), 1–17.
- Listanti, R. M. (1967). *Analysis of the Financial Performance of Savings and Loan Cooperatives (Case Study on the FS MSME Cooperative of Pasar Sumpiuh)*. 14, 261–

272.

- Ningsih, N. Y., Menhard, & Sari, M. R. (2023). *Analysis of Financial Statements Using Liquidity Ratio at Sharia Savings and Loan and Financing Cooperative (KSPPS) BMT AL-ITTIHAD RUMBAI in 2019-2021 Nadia*. 12(3), 479–484.
- Santika, M. (2025). *Applying Financial Statement Analysis to Increase Financial Transparency of Savings and Loan Cooperatives*. 8, 5374–5380.
- Setiawati, T. N., Prastiwi, I. E., & Kusuma, I. L. (2025). *Analysis of Financial Performance in Sharia Savings and Loan and Financing Cooperative "Barokah Business" Jatipurno (Sharia Case Study of KSPPS Barokah Business Jatipurno*. 11(35), 226–239.
- Situmorang, D. M. (2023). *Analysis of the Financial Performance of Cooperative Savings and Loans... Dokman Marulitua Situmorang*. 5, 893–904.
- Tamba, N. O., & Harahap, A. P. (2024). *Analysis of Financial Statements as a Basis for Financial Performance Assessment (Case Study of CU Damai Sejahtera Savings and Loan Cooperative)*. 5(1), 554–561.
- Zakiah, N., Wiyono, G., & Rinofah, R. (2022). *Analysis of the Financial Performance of BMT Artha Barokah Sharia Savings and Loan Cooperatives in Imogiri District*. 10(1), 1–8.
<https://doi.org/10.37641/jimkes.v10i1.910>