

## The Effect of the Covid-19 Pandemic on Financial Profitability at the Balo' Ta Savings and Loan Cooperative

Fisca Mawa Pangraran<sup>1\*</sup>, Haliah<sup>2</sup>, Nirwana<sup>3</sup>  
Hasanuddin University

**Corresponding Author:** Fisca Mawa Pangraran [fmpangraran@gmail.com](mailto:fmpangraran@gmail.com)

---

### ARTICLE INFO

*Keywords:* Return on Equity, Return on Asset, Net Profit Margin, Gross Profit Margin, Operating Profit Margin

*Received :* 23, Januari

*Revised :* 24, Februari

*Accepted:* 25, March

©2024 Mawa, Pangraran, Haliah:  
This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

This research aims to ascertain and evaluate the profitability of financial statements pertaining to the Balo 'Ta Savings and Loan Cooperative for the period 2019-2021, both prior to and throughout the COVID-19 pandemic. Research findings and data analysis indicate that the financial profitability of the Balo 'Ta savings and loan cooperative has fluctuated between increasing and decreasing in response to the COVID-19 pandemic. The profitability of cooperatives is assessed through the utilization of return on equity, return on assets, net profit margin, and operating profit margin metrics. In contrast, the gross profit margin exhibited a decline over the course of 2019 to 2021.

---

## **INTRODUCTION**

In the contemporary era, economic growth and development have a profound effect on the lives of a nation's citizens. These advancements are perceived not solely regarding regulations but also regarding various facets of existence. The issue of economic development pertains to the sustained expansion of per capita output over an extended period. Economic growth in Indonesia is contingent upon the community's purchasing power, the production of products, and the utilization of services to stimulate the community's economic activities. Put simply, economic growth in Indonesia encompasses advancements that are quantified in terms of heightened output and revenue. Cooperatives are a sector that influences the rate of economic activity.

Cooperative development is crucial because cooperatives are a vital component of the national economy and are fostered by governmental initiatives; thus, their progress must be coordinated with that of other commercial endeavors. By granting authority to cooperatives, one can concurrently bestow authority upon the community, thereby potentially enabling the national economy to flourish. Cooperatives are commercial organizations that significantly contribute to the advancement of the economy. Cooperatives have evolved over time to assume a more comprehensive and operational role in various financial activities. In this manner, cooperatives significantly contribute to the economic development of Indonesia.

Presently, the development of cooperatives serves as the cornerstone of the community's economic engine. Nonetheless, cooperatives have encountered numerous obstacles in implementing numerous savings and loan programs throughout the pandemic. Many cooperatives encounter various challenges such as disrupted loan development, reduced turnover, deposit withdrawals, annual member meeting postponements, and more. Cooperative development presents its own set of obstacles; therefore, efforts must be made to enhance the function of cooperatives. It is anticipated that bolstering the influence of cooperatives in Indonesia will contribute to the improvement of the nation's economy. Similarly, the Balo' Toraja Savings and Loan Cooperative actively participates in the private sector with the aim of expediting the economic recovery and development trajectory in Indonesia.

Due to the prevailing economic challenges, enhancing the outcomes of financial statements holds significant importance within cooperative organizations. The ability of cooperative management to identify strategies for capital advancement is essential for both the Balo 'Ta Savings and Loan Cooperative and the company itself. Consequently, financial ratio analysis can be employed as a safeguard against potential losses for cooperatives.

One economic sector that is impacted by the COVID-19 pandemic and has implications for the nation's economic development is the Balo 'Ta Savings and Loan Cooperative (KSP). The financial statements of this cooperative are currently beset with difficulties because of the COVID-19 pandemic, which has led to a decline in profits. As a result of increased cooperative expenses and problematic cooperative credit regarding debtor payment installments, the

financial statements have experienced a decline. This pandemic compels cooperatives to devise strategies to prevent a precipitous decline in profits during the peak year of the 2020 pandemic. One such strategy involves managing income and expenditures from non-members and ensuring adequate member participation.

Table 1. Pandemic Compels Cooperatives

Description	2019	2020	2021
SHU Before Tax	Rp 3,916,461,835,37	Rp 3,114,044,214,00	Rp 6,102,730,637,94
SHU After Tax	Rp 2,937,346,376,53	Rp 2,491,235,371,20	Rp 4,760,129,897,59

Considering the observed phenomena, the authors intend to undertake research pertaining to profitability ratios as financial ratios. The objective of this study is to assess the degree of impact and fluctuations in revenue that occurred at the Balo 'Ta Savings and Loan Cooperative during the precarious period preceding and throughout the COVID-19 pandemic. Thus, the author undertakes or conducts research under the title "The Impact of the COVID-19 Pandemic on Financial Profitability at the Balo 'Ta Savings and Loan Cooperative."

## LITERATURE REVIEW

### *Definition of Cooperative*

Cooperatives originated among the populace of Indonesia during the 20th century, as the capitalist system's economic and social ills grew increasingly severe. Individually owned and operated for the greater benefit, cooperatives eventually transformed into corporations. The English translation of the Latin term cooperation is cooperation, from which the word cooperative derives. Co signifies "together," whereas operation denotes "business" or "work." Thus, a cooperative can be defined as an organization in which its members collaborate or attempt to attain a common objective. [24] (Maulana 2020). The welfare of all cooperative members, who are also the cooperative's proprietors and customers, is the cooperative's primary objective. The terms from, by, and for are acknowledged within cooperative organizations. This indicates that cooperative profits are generated through the participation of cooperative members, for whose benefit the cooperative members themselves administer the cooperative. Therefore, it is indisputable that the progression of a cooperative organization is significantly influenced by the contributions of its members. This observation demonstrates that within a cooperative organization, member status and obligations are identical for all.

Furthermore, with reference to the definition of cooperatives as stipulated in the Act, in conjunction with the comprehension:

- a. As per Article 3 of Law No. 12 of 1967 on the Principles of Cooperatives, Indonesian cooperatives are socially conscious economic organizations

comprised of individuals or cooperative legal entities conducting business jointly in accordance with family-oriented economic structures.

- b. As per Article 1 of Law No. 25 of 1992 of the Republic of Indonesia pertaining to cooperatives, a cooperative is defined as a corporate entity comprised of individuals or cooperative legal entities that conduct business in accordance with cooperative principles and as a family-oriented economic movement of the people.

In accordance with the preceding explanation of cooperatives, the situation with Balo 'Ta Savings and Loan Cooperative is identical. Swinging steps has been operating as a savings and loan cooperative, a financial institution based on the people's economy, for the past 82 years. The administration of Balo' Ta Savings and Loan Cooperative consistently adjusts to evolving circumstances in accordance with the core principles of loyalty, integrity, commitment, and rigorous monitoring. Toraja residents can avail themselves of a variety of savings and loan products through the Balo' Ta Savings and Loan Cooperative.

### ***Financial Report***

Financial statements constitute a component of the overall financial reporting procedure, as stated by the Indonesian Accounting Association. To aid in managerial decision-making, financial statements are one of several forms of reporting that provide shareholders with a summary of the organization's financial status (Ebert 2014; 500). In summary, the financial report comprises the organization's cash and transaction records; this definition is straightforward. At the conclusion of each year, cooperatives publish their financial reports in the RAT (Annual Final Meeting) Cooperative Book, which is distributed to all cooperative members and related parties. In general, the financial statements consist of the following three sections: balance sheet, income statement, and cash flow statement. Overall, these three reports provide insight into the company's financial condition and the factors that influence it. In general, financial statements are structured into the following five sections: annotations to financial statements, income statement, balance sheet, cash flow statement, and statement of changes in capital.

### ***Purpose of Financial Statements***

The company's financial statements serve as a valuable resource for stakeholders. Stakeholders, which include governments or institutions, creditors, investors, and public debt providers, must be informed of the company's performance. Solid and precise financial statements can offer an authentic depiction of the accomplishments or progress made by an organization over a specific period.

### ***Financial Ratio Analysis***

The application of financial ratio analysis is highly variable and contingent on the entity requiring it. Financial ratios, which are utilized in accounting science to evaluate the financial health of a company by comparing figures on financial statements, are related to finance. The ratio can be defined as the result

obtained by comparing two quantities, or more simply, it denotes the comparison of the quantities of one and another, with the expectation of discovering a solution that will be utilized as research material for analysis and decision-making. Thus, in essence, the financial ratio is a computation that assesses the comparability of financial statement figures through the division of two values. Alternatively, conducting a comparative analysis of the quantity of components present in the financial statements across one or multiple periods for the purpose of analysis. Comparing financial ratios in a financial report requires the utilization of four distinct tools: liquidity ratios, activity ratios, profitability ratios, and solvency ratios. The research will primarily examine the impact of the COVID-19 pandemic on the financial profitability of the Balo 'Ta Savings and Loan Cooperative, in accordance with the research objective.

#### A. Profitability Ratio

The profitability ratio is a metric employed to evaluate the capacity of a business to generate profits (Kasmir 2016; 196). Furthermore, it serves as an indicator of the efficiency with which a company operates its administration. Investment income and profit from sales function as indicators of this. Businesses may utilize profitability ratios in their entirety or as a subset of the extant profitability ratio types. The utilization of ratios implies, at least in part, that the organization employs only those ratio types that are deemed essential to comprehend. This investigation, which examines the profitability financial ratios of the Balo 'Ta Savings and Loan Cooperative prior to and during the COVID-19 pandemic, will quantify the amount of change in income or profit. The profitability ratio measures the relationship between a company's sales, total assets, and own capital to its ability to generate profits. Return on equity, return on assets, net profit margin, gross profit margin, and operating profit margin are frequently employed profitability ratios.

## **METHODOLOGY**

### ***Data Type***

This research makes use of quantitative descriptive research methodology. This study employs quantitative descriptive research to depict the current condition of the subject under investigation. Subsequently, financial ratio analysis is utilized to interpret, describe, and assess the extent of the Balo 'Ta Savings and Loan Cooperative's impact during the period of 2019-2021.

### ***Data Source***

This study utilized secondary sources of information. Secondary data consists of information obtained from a variety of previously available sources and compiled by researchers to supplement their research data requirements. Beginning in 2019-2021, one of them consists of the financial statements of the Balo 'Ta Savings and Loan Cooperative.

### ***Location and Time of Research***

The study was carried out at the Balo 'Ta Savings and Loan Cooperative, which is situated at Jalan R.A. Kartini No. 7, Tondon Mamullu, Kec. Makale, Tana Toraja Regency, South Sulawesi. The investigation spanned an additional month, from February 13 to March 16, 2023.

### ***Data Collection Technique***

Field research involves gathering information directly from sources and gathering data about study. The objective of this investigation is to acquire secondary data in the form of financial reports from the Balo 'Toraja Savings and Loan Cooperative for the period of three years, from 2019 to 2021.

- a. Field research, the purpose of this research is to acquire secondary data in the form of financial reports of the Balo 'Toraja Savings and Loan Cooperative for the period of 2019 to 2021. This information is derived from data and provides direct insight into the subject under investigation.
- b. Documentary research, specifically from 2019 to 2021, by accumulating and analyzing secondary data in the form of financial reports from the Balo 'Toraja Savings and Loan Cooperative.
- c. Library research, in which information is gathered through the examination of relevant literature texts and references to develop a theoretical foundation.

## **RESEARCH RESULT**

*Steps to test your results here*

Subsequently, quantitative descriptive analysis tools were employed to examine the data in this study. Specifically, the cooperative financial performance assessment technique was utilized, which relied on profitability ratios as financial ratios:

### 1. ROE (Return on Equity)

The return on equity (ROE) metric quantifies the proportion of post-tax operating results to capital. This ratio demonstrates capital utilization efficiency.

$$\text{Return On Equity} = \frac{\text{SHU After Tax}}{\text{Capital Total}} \times 100\%$$

$$\text{Year 2019} = \frac{2,937,346,376,53}{201,245,939,787,60} \times 100\% = 1,46\%$$

$$\text{Year 2020} = \frac{2,491,235,371,00}{226,432,593,510,36} \times 100\% = 1,10\%$$

$$\text{Year 2021} = \frac{4,760,129,897,59}{258,572,950,312,93} \times 100\% = 1,84\%$$

2. ROA (Return on Assets)

The Return on Assets (ROA) is a ratio that quantifies the return generated by the cooperative on its total assets. The return on assets serves as an indicator of the management's efficiency in investment management.

$$\text{Return On Assets} = \frac{\text{SHU After Tax}}{\text{Total Assets}} \times 100\%$$

$$\text{Year 2019} = \frac{2,937,346,376,53}{669,926,798,618,39} \times 100\% = 0,44\%$$

$$\text{Year 2020} = \frac{2,491,235,371,00}{793,995,971,336,51} \times 100\% = 0,31\%$$

$$\text{Year 2021} = \frac{4,760,129,897,59}{1,047,858,429,336,57} \times 100\% = 0,45\%$$

3. PMR (Profit Margin Ratio)

a. GPM (Gross Profit Margin)

The gross profit margin ratio indicates the degree to which the cost of commodities, or revenue, deducts from total revenue. This financial metric serves as an indicator of the cooperative's effectiveness in utilizing pre-tax profit generated from its existing operating funds.

$$\text{Gross Profit Margin} = \frac{\text{Revenue} - \text{Principal Expenses}}{\text{Revenue}} \times 100\%$$

$$\text{Year 2019} = \frac{95,096,419,842,15 - 42,757,112,763,55}{95,096,419,842,15} \times 100\%$$

$$= 55,03\%$$

$$\text{Year 2020} = \frac{106,964,149,057,00 - 50,450,305,884,00}{106,964,149,057,00} \times 100\%$$

$$= 52,83\%$$

$$\text{Year 2021} = \frac{127,670,161,160,26 - 62,970,964,460,43}{127,670,161,160,26} \times 100\%$$

$$= 50,68\%$$

b.

OPM

(Operating Profit Margin)

The operating profit margin ratio is calculated by dividing income by the remaining results of operations (SHU) prior to operating expenses to account for the operating costs of a cooperative.

$$\text{Operating Profit Margin} = \frac{\text{SHU Before Operating Expenses}}{\text{Revenue}} \times 100\%$$

$$\text{Year 2019} = \frac{15,799,135,098,37}{95,096,419,842,15} \times 100\% = 16,61\%$$

$$\text{Year 2020} = \frac{17,126,888,130,00}{106,964,149,057,00} \times 100\% = 16,01\%$$

$$\text{Year 2021} = \frac{20,767,769,745,94}{127,670,161,160,26} \times 100\% = 16,26\%$$

c. NPM (Net Profit Margin)

This ratio quantifies the way the cooperative attains profits from its business activities in relation to its current revenue. The net profit margin is computed by dividing the cooperative's revenue by its capacity to generate net profit, which is alternatively referred to as profit after taxes.

$$\text{Net Profit Margin} = \frac{\text{SHU After Tax}}{\text{Revenue}} \times 100\%$$

$$\text{Year 2019} = \frac{2,937,346,376,53}{95,096,419,842,15} \times 100\% = 3,09\%$$

$$\text{Year 2020} = \frac{2,491,235,371,20}{106,964,149,057,00} \times 100\% = 2,33\%$$

$$\text{Year 2021} = \frac{4,760,129,897,59}{127,670,161,160,26} \times 100\% = 3,73\%$$

Table 2. Ratio Quantifies

Profitability	2019	2020	2021
Return on Equity	1,46%	1,10%	1,84%
Return on Asset	0,44%	0,31%	0,45%
Gross Profit Margin	55,0%	52,8%	50,7%
Operating Profit Margin	16,6%	16,0%	16,3%
Net Profit Margin	3,09%	2,33%	3,73%

Source: Data processed

## DISCUSSION

### 1. Profitability in 2019

Balo 'Ta Savings and Loan Cooperative indicates that the organization generates profits amounting to Rp 2,937,346,376.53 after accounting for taxes deducted at 25%. The return on equity indicates that the cooperative can generate a profit or net operating result of 1.46% with the capital it has utilized. The return on assets indicates that the cooperative can generate a residual



income of 0.44% from its total assets. In the context of profitability, the profit margin ratio reveals that the cooperative achieves a gross profit margin of 55.03% by summing the operating cost and income ratios; the cooperative's operating cost is 16.61% and its income ratio is 3.09%.

## 2. Profitability in 2020

During the height of the COVID-19 pandemic, the cooperative experienced a decline in membership. The profitability statement discloses that the cooperative has achieved an after-tax profit of 2,491,235,371.20 rupiah. With respect to remaining operating results before taxes, there was a 1.26% decline observed in the period preceding and the height of the pandemic. Comparing the remaining profit after taxes to capital in 2020 revealed a decline of 1.10% in return on equity, compared to a 0.36 percent decline in the year prior to the zenith of the pandemic. The decline in residual operating results after tax during the pandemic contributed to this outcome. Return on assets in 2020: residual operating results of 0.31% can be generated for every 100% of total assets. Upon comparing the return on assets prior to the onset of the pandemic, a discernible decline of 0.12% in value becomes apparent. This is because the proportion of total assets exceeds the remaining earnings from operations post-tax. The decline in return on assets signifies that the cooperative exhibited inefficiency in profit generation through asset management in 2020. Gross profit margin has decreased, as indicated by the profit margin ratio, which is composed of three ratios. This is since merchandise costs have risen more than revenues. The gross profit margin exhibits a decline of 2.2% both prior to and throughout the pandemic. The variance of 4.17% can be attributed to the proportion of revenue and the cost of products. 16.01% was the operational profit margin ratio during the height of the pandemic. This discrepancy arises from the fact that the remaining operating results, exclusive of operating expenses, surpass the income by a marginal amount of 0.060 percent. The final ratio indicates a decline as well, as the proportion of operating results remaining after taxes were deducted decreased by a difference of 1.18%. This indicates that the Balo Toraja Savings and Loan Cooperative experienced a diminished net profit margin ratio in 2020 because of the cooperative's financial burden on exorbitant expenditures, which hindered the efficiency of cooperative activities amidst the pandemic.

## 3. Profitability in 2021

Profitability increased in 2021 relative to the year preceding the pandemic. An examination of the return on equity ratio reveals that one hundred percent of total equity is equivalent to IDR 4,760,129,897,593 in remaining operating results after taxes. Thus, the processed data indicates that 2021 is 0.74 percentage points greater than the previous year. In contrast, the return on assets ratio indicates that withholding taxes, every total asset yields a profit of 0.45%. The magnitude of the percentage change in the remaining results of operations after tax on total assets has an impact on the increase in return on assets. Over the course of 2021, the cooperative experienced a growth of 0.14%. The percentage of remaining after-tax income and an increase in total assets account for this. This indicates that a substantial and positive impact on the

value of the cooperative results from an increase in the return on assets. This finding suggests that an increase in earnings power correlates positively with a more efficient asset turnover and a greater profit margin for the cooperative. Three profit margins exhibit variations, Since the outset, the gross profit margin has declined over the past three years. This signifies that the cooperative is experiencing a decline in its ability to regulate production costs and operational expenses, resulting in a reduced gross profit margin position. While the operating profit margin and net profit margin have experienced a marginal increase, both metrics indicate a rise. The increase in the remaining results of operations (SHU) relative to operating expenses and set costs, particularly interest expenses and income taxes, is the reason for this.

## **CONCLUSIONS AND RECOMMENDATIONS**

The author's discourse and investigation at the Balo 'Ta Savings and Loan Cooperative, which scrutinizes the repercussions of the pandemic on financial profitability, lead to the following deductions:

1. Based on the analysis of the five ratios in 2019, which consider the cooperative's income and remaining profit after taxes, the cooperative was well positioned for profits in the year preceding the cooperative pandemic. The profitability position prior to the pandemic was deemed satisfactory in accordance with Regulation No.03/Per/M.KUKM/IV/2011 of the Minister of Cooperatives, Small and Medium Enterprises of the Republic of Indonesia. This classification was based on the ability to effectively manage cooperative funds to cover expenses, obligations, and cooperative operational costs.
2. Because of the pandemic, the profitability position in 2020 has exhibited variability, leading to a rise in fundamental expenses and operational costs, yet a decline in remaining operating results after tax and income. Profitability analysis reveals a decline during a pandemic; consequently, the Balo 'Ta Savings and Loan Cooperative is capable of effectively managing and preserving its finances to avert a substantial decline.
3. It indicates that the Balo 'Ta Savings and Loan Cooperative experienced a rise in profits in 2021, the year of the second wave of the pandemic, in comparison to the fiscal year of the pandemic's apex. Even though one of the profitability analyses, namely gross profit margin, has decreased over the past three years due to the cost of goods exceeding income, Balo 'Ta Savings and Loan Cooperative has been able to increase profits and compensate by presenting the remaining results of operations after tax, which increases and demonstrates the cooperative's efficient operation. In accordance with Regulation No.03/Per/M.KUKM/IV/2011 of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, KSP Balo 'Ta is deemed to be in a favorable financial position.

## ADVANCED RESEARCH

This research still has limitations so it is necessary to carry out further research related to the topic "The Effect of the Covid-19 Pandemic on Financial Profitability at the Balo' Ta Savings and Loan Cooperative" to perfect this research, as well as increase insight for readers

## REFERENCES

- Basyaib, Fachmi, 2007. *Keuangan Perusahaan*, Jakarta: Kencana Prenada Media Group.
- Bahri, Syaiful, 2022. *Analisa Laporan Keuangan*, Bandung : Media Sains Indonesia.
- Dauda, Paris, dkk, 2021. Pengaruh Likuiditas dan Solvabilitas Terhadap Profitabilitas. *Jurnal Mirai Management*, 6(3), 51-66.
- Ebert, J Ronald, 2014. *Pengantar Bisnis*, Jakarta: PT. Erlangga.
- Fahmi, Irham, 2013. *Analisis Laporan Keuangan*, Bandung: Alfabeta.
- Haliah, Nirwana. 2022. Analisis Profitabilitas Pelanggan PT PLN menggunakan Metode Activity Based Costing. *Bata Ilyas Educational Management Review*. Vol 2 Issue 2 (2022).
- Hidayat, Wastam, 2018. *Dasar-Dasar Analisa Laporan Keuangan*, Ponorogo: Uwais Inspirasi Indonesia.
- Hendra, Arfandi SN dkk, 2021. *Manajemen Koperasi*. Jakarta: Yayasan Kita Menulis.
- Kasmir, 2014. *Analisis Laporan Keuangan*, Jakarta: PT Rajawali Pers.
- , 2016. *Analisis Laporan Keuangan*, Jakarta: PT. RajaGrafindo Persada.
- Maulana, Arman dkk, 2020. *Manajemen Koperasi*, Bandung: Guepedia.
- Ramdhan, Muhammad, 2021. *Metode Penelitian*, Surabaya: PT Cipta Media Nusantara (CMN).
- Sawir, Agnes, 2003. *Analisis Kinerja Keuangan dan Perencanaan Keuangan Perusahaan*, Jakarta: PT Granmedia.
- Sugiyono. 2014. *Metode Penelitian Manajemen*, Yogyakarta: Alfabeta.
- Sudana, I Made, 2015. *Teori & Praktik Manajemen Keuangan Perusahaan*, Jakarta; Erlangga.
- Undang-Undang No.12 Tahun 1967 tentang Pokok-Pokok Perkoperasian. LN 1967/No 23 TLN No.2832 LL Setneg; 32 hlm.

*Mawa, Pangraran, Haliah*

Undang-Undang Republik Indonesia No.25 Tahun 1992 tentang  
Perekoperasian. LN 1992, LL Setneg: 28 hlm.