

## PERFORMANCE OF RURAL MICROFINANCE INSTITUTION IN THE COVID-19 PANDEMIC ERA

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### ABSTRACT

*Menanga Village was a village that received the Brilliant Village achievement during the Covid-19 Pandemi. Three Microfinance Institutions (MFIs) that contribute to rural development were the Savings and Loans Cooperative/KSP Dana Atti Werdhi, Village Credit Institution/LPD Batu Sesa and the Village-Owned Enterprise Savings and Loan Unit/USP-BUMDes Arta Dharma Duta Menanga. The objective of this this research was to describe, compare the performance of the MFIs and analyze the efforts made by the MFIs with the best performance. This research was quantitative descriptive. Determination of informants using a centralized approach. Financial performance indicators were the percentage growth in net profit of operations/PPLBU, assets/PPA, capital/PPM, solvency percentage/PS and profitability percentage/PP. Non-financial performance indicators were the percentage of customer growth/VAT and the percentage of employee growth/PPK. The results showed the performance of MFIs during the Covid-19 Pandemi (2019-2020), were: PPLBU KSP 4.05, LPD -4.44, USP BUMDes -26.70. PPA KSP 19.41, LPD -4.42, USP BUMDes 5.28. PPM KSP 4.06, LPD 23.80, USP BUMDes 3.65. PS KSP 240.08, LPD 112.77, USP BUMDes 158.98. PP KSP 4.35, LPD 15.22, USP BUMDes 6.20. VAT KSP 33.33, LPD -7.84, USP BUMDes -1.67. PPK KSP-33.33, LPD 0, USP BUMDes 0. KSP Dana Atti Werdhi was the MFIs with the best performance. The efforts made by the management of KSP Dana Atti Werdhi were managing cooperatives with high hopes for the welfare of members and the community and based on the principle of trust.*

*Keywords:* Performance; Rural; Micro; Finance; Institution

### INTRODUCTION

The Covid-19 pandemic has paralyzed the economy of almost all countries in the world. Economic activity declined, especially in urban areas, but rural economic activity was more able to withstand the economic downturn. The presence of Microfinance Institutions (MFIs) in rural areas cannot be denied has helped micro-enterprise capital in rural areas (Sinarwati and Marhaeni, 2019). MFIs in rural areas, especially in the Province of Bali, consist of Savings and Loan Cooperatives/KSP, Village Credit Institutions/LPD and Village-Owned Enterprise Savings and Loans Business Units/USP-BUMDes. Comparative analysis of the performance of rural MFIs during the Covid-19 pandemic is important to find out which MFIs have the best performance to serve as role models for the development of other MFI businesses. This study aims to describe performance, compare the performance of MFIs in rural areas (KSP, LPD and USP BUMDes) and analyze the efforts made by MFIs with the best performance in achieving their performance during the Covid-19 Pandemic.

MFIs were financial services businesses that serve people with low incomes and household businesses with limited capital that do not have access to services to commercial banks (Wasiaturrahma, 2020; Noreen, 2021). MFIs become a pillar of the economy that carries out the function of financial mediation (Bhaskara, 2020). The presence of MFIs in rural areas is one of the drivers of the rural economy. MFIs are generally found in developing countries such as Sri Lanka, India, Senegal, Indonesia and other developing countries (Forcela and Hudon, 2014). The existence of MFIs has been proven to help provide capital loans to home industries that employ business owners and do not use employees to run businesses and promote rural development (Aker et al, 2020; and Masturi, et al, 2021). The establishment of MFIs that reach large numbers of the rural and urban poor who are not served by conventional financial institutions, such as commercial banks, has become a key component of the new development strategy in Ethiopia (Alemayehu and Lemma, 2014). MFIs have been accepted not only as a financial means to target certain people who are excluded from the formal financial system to gain access to financing sources, but also cover social aspects that contribute to poverty reduction, women's empowerment, economic development and job creation (Abebaw, 2003). 2014). MFIs in rural areas not only have an economic function but also have a social function (Bhaskara, 2013).

Comparative studies of MFIs, among others, found that there were differences in financial performance with indicators of Return on Assets (ROA), Return on Equity (ROE) between Conventional Rural Banks (BPR) and Sharia BPRs in the West Sumatra area. Conventional BPRs were found to have higher ROA and ROE values, so they were declared to have superior performance than Sharia BPRs (Hamidi, 2017). Comparison of financial performance with indicators of Return on Assets (ROA), Net Performing Loans (NPL), Loans to Deposit Ratio (LDR), Capital Adequacy Ratio (CAR) and Ratio of Operating Costs to Operating Income (BOPO) between Foreign Exchange Banks and Non Foreign Exchange Banks during the years 2001-2015 showed that the overall financial performance of foreign exchange banks was higher in value than the value of the performance indicators of non-foreign exchange banks. This condition shows that foreign exchange banks have superior financial performance when compared to non-foreign exchange banks in Indonesia during the year of observation (Hartati, 2017). Comparison of the financial performance of Microfinance Institutions (Rural Banks/BPR, Savings and Loan Cooperatives/KSP and Baitul Maal Wa Tamil/BMT) using the ANOVA/Analysis of Variance analysis technique found that KSP has advantages in credit application procedures compared to BPR and BMT, while BMT has the advantage of a lower percentage of loan interest compared to BPR and KSP. BPR does not have an advantage when compared to KSP and BMT because BPR is run with a formal operating process like banking businesses in general (Setiawan, 2017). The difference between this study and previous MFI comparisons lies in two things: first, this study compares the performance of MFIs in rural areas in the Covid-19 pandemic era, meaning that there is an emphasis on areas and events in performance appraisals that have not been found in previous studies. The second difference is that

this study uses two performance indicators, namely financial performance and non-financial performance. Previous research that conducted a comparison of the performance of MFIs only used one indicator.

**RESEARCH METHODS**

This research was a quantitative descriptive study, namely research that aims to explain events/events in the form of meaningful numbers (Pardiastuti and Herawati, 2020). This study describes and compares the financial performance and non-financial performance of MFIs (Savings and Loans Cooperatives/KSP, Village Credit Institutions/LPD and Village-Owned Enterprise Savings and Loans Unit/USP BUMDes). The type of data used was primary data, namely data obtained directly from the location and research informants collected by interview and documentation methods. The instrument of data collected was a worksheet to collect the financial and non-financial performance of KSP, LPD and USP-BUMDes and the efforts made to achieve 2019-2020 performance.

The determination of research informants uses a centralized approach, namely the determination of informants that only involves the head of the KSP, the head of the LPD and the head of the USP BUMDes (Bhaskara, 2020). The research location was in Menanga Village, Rendang District, Karangasem Regency, Bali Province. The consideration of choosing a location in Menanga Village was because Menanga Village has the achievement of winning the Brilliant Village competition, namely the village that has the opportunity to receive guidance, assistance and collaboration with Bank Rakyat Indonesia in 2020. Performance indicators for Microfinance Institutions, both financial and non-financial performance as well as reference sources are presented in Table 1.

Tabell. Indicator of Financial and Non Financial Performance

Types of Performance	Indicator <sup>1)</sup>	Refrensi
A. Financial	1. NPG	Hamidi (2017); Munizu, (2010); Mahmood dan Hanafi, (2013)
	2. AG	
	3. CG	
	4. PLI	Alemahayu (2014) dan Ayambila (2018)
	5. Solvabilty	Rustiani dan Wiyani (2017)
	6. Profitability	Wahyuni dan Suryakusuma (2018)
B. Non Financial	1. GNC	Baskara dan Triaryati, (2020)
	2. GNE	Abebaw, (2014); Bedecarrats (2016)

Source: <http://www.google.cendekia>

1)Indicator Description

NPG = Net Profit Growth

AG = Asset Growth

CG = Capital Growth

PLI = Percentage of Loan Interest

Solvency = Ability to Pay All Debts

Profitability = Ability to Get Profit/Profit

GNC = Growth in Number of Customers

GNE = Growth in Number of Employees

The calculation of the percentage growth in this study uses the following formula:

$$\text{Growth} = [(t-t-1) / t-1] \times 100\% \dots \dots \dots (1)$$

Growth in 2020 is 2020 data, subtracted by 2019 data divided by 2019 data multiplied by 100 percent. The growth of net operating profit, assets, capital, number of customers and number of employees is calculated using the following formula:

$$\text{Growth LBU} = [(LBU\ 2020 - LBU\ 2019) / LBU\ 2019] \times 100\% \dots \dots \dots (2)$$

$$\text{Growth Asset} = [(Asset\ 2020 - Asset\ 2019) / Assets\ 2019] \times 100\% \dots \dots \dots (3)$$

$$\text{Growth TM} = [(TM\ 2020 - TM\ 2019) / TM2019] \times 100\% \dots \dots \dots (4)$$

$$\text{Growth Number of costumer /GNC} = [(NC\ 2020 - NC2019 / NC2019)] \times 100\% \dots \dots \dots (5)$$

$$\text{Growth Number of employes/GNE} = [(NE\ 2020 - NE\ 2019) / NE2019] \times 100\% \dots \dots \dots (6)$$

The measurement of financial performance in this study, in addition to using growth values, is also equipped with solvency and profitability ratios. Solvency is the company's ability to pay the total debt. Solvency in this study is calculated by the Debt to Assets Ratio (DAR), which is a comparison of total debt with total assets, while profitability is calculated by the Return on Equity Ratio (ROE), which is the comparison between the amount of profit and capital owned by Wahyuni and Suryakusuma (2018). The ratio of DAR and ROE was calculated for the period of 2020. The use of the ratio of DAR and ROE to measure performance aims to provide a more comprehensive calculation of financial performance. Performance measurement by calculating the growth value is a comparison of the same account in different years, while the DAR and ROE ratios complement because they make comparisons with different accounts in the same year. The formula for calculating the ratio of DAR and ROE is presented in equations 7 and 8.

$$\text{Solvability/DAR} = (\text{Total Asset} / \text{Total Debt}) \times 100\% \dots \dots \dots (7)$$

$$\text{ProfitabilityROE} = (\text{Net Operating Profit} / \text{Total Capital}) \times 100\% \dots \dots \dots (8)$$

The data analysis technique is quantitative descriptive by carrying out the following research steps. The researcher's first step is to present the financial and non-financial performance of the MFIs in the village of Menanga, which consists of KPS Attiwerdhi, LPD Batusesa and BUMDes Arta Dharma Duta Menanga and give meaning to these performances. The second step compares the performance of the three MFIs, and the third step describes the efforts to achieve performance by the managers of the MFIs with the best performance.

## RESULTS AND DISCUSSION

Menanga Village in Rendang District, Karangasem Regency is an outstanding village because it is the village that won Brilliant Village, a village administration competition organized by Bank Rakyat Indonesia/BRI. The MFIs in Menanga Village that are still operating and providing services to village communities during the Covid-19 pandemic are the Village Credit Institution/LPD Batusesa, Savings and Loan Cooperatives/KSP Dana Attiwerdi, and the Village Owned Enterprise Savings and Loans Unit/USPBUMDes Arta Dharma Duta Menanga. LPD Batusesa was founded in early 1994 but its business was inactive and was reactivated in 2009. USPBUMDes Arta Dharma Duta Menanga was established on November 11, 2010 providing trade credit and consumer credit. KSP Dana Attiwerdi was established in 2014, providing guaranteed and unsecured loans. Unsecured credit has a term of less than one year and is a type of trade credit, secured credit is a loan with a term of more than one year and a maximum of three years. These loans are consumer loans which are generally used for the purchase of motorcycles. Data on the financial and non-financial performance of the three MFIs in the village of Menanga during the Covid-19 pandemic are presented in Table 2.

Tabel 2. Financial and Non Financial Rural MFIs in Menanga Village in Pandemic Covid-19 Era

Types of performance	Indicator	Types of MFIs					
		Village Institution/LPD Batusesa	Credit	USP BUMDes Arta Dharma Duta Menanga	Savings and Loans Attiwerdhi	Cooperatives Dana	Dana
		2019	2020	2019	2020	2019	2020
Finance	NOI <sup>(3)</sup> (Rp)	115.307	110.193	158.749.847	116.376.678	15.132.967	15.745.184
	Asset (Rp)	6.275.214	5.997.969	5.101.775.178	5.371.026.372	554.389.398	661.986.751
	Capital (Rp)	584.895	724.079	1.810.266.412	1.876.293.209	347.805.049	361.914.519
	LI <sup>(4)</sup> (%)	18	18	18	18	18	18
	Debt	5.525.298	5.318.848	3.312.758.919	3.378.356.485	206.584.349	300.072.232
Non Finance	NC <sup>(5)</sup>	2690	2479	3.901	3.836	195	260
	NE <sup>(6)</sup>	7	7	6	6	3	2

Source: LPD Batusesa, USP BUMDes and KSP Dana Attiwerdhi

NOI : Net Operating Income  
LI : Loan Interest  
NC : Number of Costumer  
NE : Number of Employees

Data Table 2 shows that Net Profit for Business/LBU, LPD Batusesa and USP BUMDes Arta Dharma Duta Menanga experienced a decrease in the number of LBUs from 2019 to 2020, while KSP Dana Attiwerdhi on the contrary experienced an increase in the number of LBUs. Assets owned by LPD Batusesa and BUMDes decreased, while the assets of KSP Dana Attiwerdhi increased. The total capital of LPD Batusesa, BUMDes Arta Dharma Duta and KSP Attiwerdhi has increased. The number of customers served (borrowing and depositing customers) decreased in LPD Batusesa and BUMDes Arta Dharma Duta, but on the other hand KSP Dana Attiwerdhi experienced an increase in the number of customers. The number of employees of LPD Batusesa and BUMDes Arta Dharma Duta did not change, while the number of employees of KSP Dana Attiwerdhi decreased. The MFI debt data presented is used to calculate solvency and this study does not calculate debt growth.

The comparison of the performance of LPD Batusesa, USP BUMDes Arta Dharma Duta Menanga and KSP Dana Attiwerdhi in 2019-2020 was carried out by comparing growth in financial performance and growth in non-financial performance. Financial performance growth indicators are the percentage growth of Net Operating Profit, Assets, Capital and Percentage of Loan Interest. Non-financial performance growth indicators are the percentage growth in the number of customers and the number of employees. Measurement of financial performance in addition to calculating growth is also carried out by making comparisons/ratio. The two ratios calculated in this study are the ratio of assets to debt/DAR to analyze solvency, and the ratio of net operating profit to capital/ROA to calculate profitability. Comparison of financial and non-financial performance indicators is carried out by implementing the formulas presented in equations 2 to 8. A summary of the results of calculating the growth of financial performance indicators and non-financial performance indicators of LPD Batusesa, USP BUMDes Arta Dharma Duta Menanga and KSP Dana Attiwerdhi is presented in Table 3.

Table 3. Comparison of Performance MFIs

Types of Performance	Indicator	Percentage of LPD Batusea	Percentage of USP BUMDes ADDTM	Percentage Savings and Loans Cooperative Dana Attiwerdhi
Financial	Net Operating Income	-4,44	-26,70	4,05
	Asset	-4,42	5,28	19,41
	Capital	23,80	3,65	4,06
	Loan Interest	0	0	0
Non financial	Number of Costumer	-7,84	-1,67	33,33
	Number of Employee	0	0	-33,33

Source: Processed data

The financial performance of MFIs with indicators of net income growth shows the best performance in KSP Dana Attiwerdhi because the profit growth rate is positive at 4.05 percent, while the net profit growth for LPD and USPBUMDes is negative. Profit growth with a positive sign means that profits have increased and with a negative sign, profits have decreased (Suyono et al, 2019). Net operating profit growth of 4.05 percent means that the value of the increase in operating net income from 2019 to 2020 is 4.05 percent from 2019. The financial performance of the MFI with asset growth indicators shows that asset growth at KSP Dana Attiwerdhi performs best due to asset growth with a positive sign of 19.41, which is higher than the asset growth of the USPBUMDes (5.28) and the growth of LPD assets has a negative sign, which means that the LPD has decreased assets. The asset growth of Dana Attiwerdhi KSP 19.41 percent means that the value of the increase in assets from 2019 to 2020 is 19.41 percent of assets in 2019. The financial performance of the MFI with capital growth indicators shows that LPD Batusea has the highest percentage of capital growth (23.44) compared to the percentage growth of other MFIs' capital. Capital growth of 23.44 percent means that the value of increasing capital from 2019 to 2020 is 23.44 percent of capital in 2019. The financial performance of the MFIs with the loan interest growth indicators for the three MFIs shows zero (0) meaning that all MFIs do not experience an increase in loan interest.

Non-financial performance of MFIs with indicators of growth in the number of customers (depositing customers and borrowing customers) the best percentage of growth is in KSP Dana Attiwerdhi, because the growth in the number of customers in USP BUMDes and LPD-corporations is negative, meaning that there has been a decrease in the number of customers served. Customer growth at KSP Dana Attiwerdhi 33.33 percent means an increase in the number of customers served from 2019 to 2020 by 33.33 percent from 2019. Non-financial performance with indicators of growth in the number of employees both LPD and USP BUMDes does not experience growth in the number of employees or the number of employees in 2019 is the same as the number of employees in 2020. The number of employees of KSP Dana in 2020 decreased by 33.33 percent compared to the number of employees in 2019.

Comparison of Financial Performance Indicators using Solvency and Profitability ratios is presented in Table 4.

Table 4. The Comparison of Performance based on Solvability and Profitability 2020

Type of Performance	Indicator	Percentage of Financial (%)		
		LPD Batusea	USP BUMDes ADDTM	KSP Dana Attiwerdhi
Financial Performance	Solvability	112,77	158,98	240,08
	Profitability	15,22	6,20	4,35

Source: Processed data

Data Table 4 shows the solvency value of LPD Batusea 112.77 meaning that every 1 rupiah of total debt is guaranteed by 112.77 rupiah of total assets to pay debts. The higher the solvency value, the more solvable the company is or the higher the ability to pay debts. The Profitability Value of LPD Batusea is 15.22, which means that every 1 rupiah of capital used is able to generate a profit of 15.22 rupiah. The higher the profitability value, the higher the company's ability to earn profits from the amount of capital used. The meaning of solvency and profitability in the USPBUMDes and the Attiwerdhi Fund Cooperative is the same as in the LPD. The best financial performance in terms of solvency indicators is owned by Dana Attiwerdhi Cooperative because it has the highest solvency (240.08) compared to the solvency of LPD Batusea (112.77) and solvency of SP BUMDes (158.98). Solvency of 240.08 means that every 1 rupiah of total debt owned is guaranteed by 240.08 rupiah of total assets to pay off the debt. Financial performance in terms of profitability shows the highest profitability was owned by LPD Batusea (15.22) compared to USP and BUMDes profitability (6.20) and KSO profitability (4.35). This means that LPD Batusea has the ability to earn a profit from a certain amount of capital. The meaning was that the management of capital to earn profits was carried out effectively by the LPD manager. A recap of the MFIs best performance during the Covid-19 pandemic is presented in Table 5.

Table 5. MFIs in The Best of Performance

Types of performance	Performance Indicator	MFIs in The Best of Performance				
		Credit Institution 'Batusesa'	Village	Saving Unit 'ADDTM'	Loans BUMDes	Cooperative 'Dana Atiwerdhi'
Financial	Net Profit					✓
	Income					✓
	Assets Growth					✓
	Capital Growth	✓				
	Solvability					✓
NonFinancial	Profitability	✓				
	Customer Growth					✓
	Employes Growth	✓				

Source: Data in Tabel 3 and 4

Data Table 5 shows that KSP Dana Attiwerdhi has the best performance compared to two other MFIs in Menanga Village (LPD Batusesa and USP BUMDes Arta Dharma Duta Menanga) in the Covid-19 pandemic era (2019-2020). Five financial performance indicators and two non-financial performance indicators were used to compare the performance of the three MFIs in the Menanga Village during the Covid-19 pandemic. KSP Dana Attiwerdhi excels in three financial performance indicators, namely indicators of net profit growth, asset growth and solvency. KSP Dana Attiwerdhi also excels in non-financial performance, especially the growth in the number of customers.

The results of an in-depth interview with the head of KSP Dana Attiwerdhi, Jro Mangku Wayan Mupu, in Menanga Village on December 27, 2021 which explains the efforts made by KSP in achieving its performance during the Covid-19 pandemic are presented below: "Cooperative management was carried out with the principle of trust and hope from the managers so that cooperatives were able to improve the welfare of members in particular and the welfare of the village community.

The research findings show that KSP Dana Attiwerdhi has the best performance even though in terms of age, this MFI is the youngest MFI (7 years) compared to LPD at 27 years old and USP BUMDes at 11 years old. The youngest KSP age/7 years (2021-2014) shows that age maturity did not guarantee good performance. This finding does not succeed in supporting the findings (Haykir and Celik, (2018) which states that age has a positive and significant effect on organizational performance. The results of the study which state that age has a positive and significant effect on performance mean that the higher the age, the better the performance of an organization was not proven in this study. KSP Dana Attiwerdhi with the youngest age was able to show the best performance compared to other MFIs in Menanga Village in line with Yemane's research (2015) which found that age was not significant to company performance. Companies were founded much earlier if management management inaccurate, unable to perform efficiency, it will not be able to increase operating profit and increase the number of assets.

Financial performance with a solvency indicator of 240.08 is the highest percentage of solvency compared to other MFIs, meaning that KSP debt management was carried out conservatively. Debt management conservatism means that management provides more than enough funds in case of making debt payments. Funds that were always available to pay debts will increase creditor confidence, because when creditors collect payments, funds were available. Creditors as lenders in savings and loan cooperatives are depositors of funds. High public trust in cooperatives encourages an increase in the amount of funds in cooperatives, these funds were then loaned by the manager with loan interest above the deposit interest, resulting in operating profits. Conservatism in managing funds has an impact on improving the performance of cooperative businesses, but excessive conservatism causes the availability of idle funds, so that the ability to earn profits decreases.

The positive net profit growth of 4.05 percent and the growth in the number of customers served in the era of the Covid-19 pandemic were achievements that occur because KSP was managed with the high expectations of managers to make cooperatives grow big and be able to prosper members in particular and society in general. Expectancy theory states that expectation is a person's estimate of the likelihood that work-related efforts will result in a certain level of satisfaction (Simone, 2015). The efforts made by the KSP Dana Atti Werdhi manager in managing the KSP were based on the hope of improving the welfare of members in particular and the village community in general. The age of the KSP organization was relatively young, with relatively little experience but if it was managed with high expectations to realize prosperity, the results will give satisfaction to a certain level (Simone, 2015).

The growth in operating profit, asset growth and customer growth that occurred at KSP Dana Atti Werdhi during the Covid-19 pandemic occurred due to the high trust of rural communities in KSP managers. Trust was a form of willingness to take risks in social relationships based on a feeling of confidence that others will do something as expected and will always act in a mutually supportive pattern. Trust was a pillar of strength in social capital (Huggin, 2015). The relationship of mutual trust was an important element for the occurrence of cooperation. Social relations based on the principles of reciprocity and exchange will foster trust, because every exchange will be paid back and balanced. Trust was one component of social capital. Social capital was proven to be able to improve organizational performance (Harbersetzer (2018). Mutual trust in running a business which was part of the existence of social capital in business has been proven to be able to improve the performance of craftsmen in Karangasem Regency (Sinarwati et al, 2020).

## CONCLUSION

The three objectives of this study are to describe the performance of the MFI in rural areas, to compare the performance of the MFI and to analyze the efforts made by the MFI with the best performance in the study in Menanga Village, Manggis District, Karangasem Regency, Bali Province. Financial performance indicators used in this study were the percentage growth in net income, asset growth, capital growth, solvency and profitability. Non-financial performance indicators were the percentage of customer growth and employee growth.

The results of data analysis show that financial performance with the percentage growth in net income from operations (PLBU) of LPD Batu Sesa and BUMDes Savings and Loans Unit was negative, which means that the two MFIs have not experienced an increase in net operating profit, on the contrary, the percentage of net income KSP Dana Atti Werdhi was positive. Financial performance with asset growth indicators assets growth LPD Batu Sesa was negative and on the other hand Assets growth BUMDes Savings and Loans and KSP Dana Atti Werdhi were positive. Financial performance with indicators of capital growth (PM) of the three MFIs has a positive percentage of capital growth. Financial performance with loan interest growth indicators (percentage of loan interest) the three MFIs have a percentage figure of zero (0) meaning that all MFIs did not experience an increase in the percentage of loan interest during 2019-2020.

Non-financial performance with an indicator of customer growth percentage only KSP Dana Atti Werdhi has a positive number. This means that only KSP experienced an increase in the number of customers, while LPD and BUMDes saving and loan experienced the opposite. Non-financial performance with indicators of growth in the number of employees, both LPD and BUMDes saving and loan, did not experience a growth in the number of employees (zero) while KSP Dana Atti Werdhi experienced a decrease in the number of employees.

The results of the comparison of the performance of MFIs in the village of Menanga show that KSP Dana Atti Werdhi has the best financial performance. KSP Dana Atti Werdhi has the best financial performance compared to LPD Batusesa and BUMDes saving and loan Arta Dharma Duta Menanga during the Covid-19 pandemic (2019-2020). KSP Dana Atti Werdhi excels in three of the five financial performance indicators used to compare the performance of MFIs in Menanga Village. The three indicators were: first, the percentage of net operating profit with a value of 4.05 percent, while the percentage of net income from operations of LPD Batu Sesa and BUMDes saving and loan Arta Dharma Duta Menanga was negative. Second, KSP Dana Atti Werdhi has the highest percentage growth in assets of 19.41, while LPD Batusesa has a negative percentage and BUMDes saving and loan has a percentage of 5.28. Third, KSP has the highest percentage of solvency of 240.08 percent compared to the percentage of solvency of LPD Batusesa and BUMDes saving and loan Arta Dharma Duta Menanga. Two non-financial performance indicators analyzed in this study were the percentage of customer growth and the percentage of growth in the number of employees. KSP Dana Atti Werdhi has a non-financial performance with indicators of growth in the number of customers. KSP has an achievement because it has experienced a growth in the number of customers in the era of the Covid-19 pandemic.

The results of an in-depth interview with the head of KSP Dana Atti Werdhi showed that the efforts made by KSP so that it was able to experience positive growth in net profit and assets during the Pandemic was in managing KSP's business accompanied by great expectations to improve the welfare of members and the community. Another effort made by KSP was to increase the trust of customers/community depositors and borrowers of funds. Trust was an element of social capital that was empirically proven to be able to improve organizational performance

The limitation of this research was that non-financial indicators only use the growth in the number of customers and the growth in the number of employees. The next researcher was advised to add non-financial indicators, especially aspects of service quality. The results of the study which found that during the Covid-19 pandemic, Savings and Loan Cooperatives had the best performance when compared to the performance of other MFIs, namely LPD and BUMDes saving and loan, so the recommendation was addressed to the Cooperatives and MSMEs Office in Karangasem Regency which oversees cooperatives to provide more intensive attention compared to the previous period, because even though at the youngest age, KSP Dana Attiwerdhi was able to have the best profit growth, asset growth, customer growth and solvency. The limited training and assistance from the Cooperatives and MSMEs service was an indicator of the government's lack of attention that needs attention. The implication of this finding for the economic specially management was age of entity was not inline with its performance.

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