ABSTRACT

This research study analyzes the effect of uncertainty due to the Covid-19 pandemic on the financial performance of conventional rural banks in Bali during the period 2016-2023. Uncertainty in this study uses the standard deviation approach of assets, funding, and loan growth as independent variables, while financial performance uses the NIM, ROA, NPL, and BOPO ratios as dependent variables.

This study uses a quantitative approach, with secondary data from rural banks financial reports. The population is all conventional rural banks in Bali during the period 2016-2023. The sample selection technique uses purposive sampling with a total of 66 conventional rural banks in Bali in the period 2016-2023. Data analysis uses a significance test using the t-test to analyze more than one dependent variable with the help of SPSS 26 software.

The results of the study indicate that in H_1, H_2, H_3, H_4, H_{10}, and H_{11}, the hypothesis is not met, while H_5, H_6, H_7, H_8, H_9, and H_{12} meet the hypothesis. In hypotheses H_1, H_2, H_3 and H_4, the independent variable, namely the standard deviation of assets, has a significant positive effect on the dependent variables NIM and ROA, and a negative effect on the dependent variables NPL and BOPO. Furthermore, in H_{10} and H_{11}, the independent variable does not affect the dependent variable, which means that the standard deviation of loan growth does not affect ROA and NPL. In H_5, H_6, H_7, H_8, H_9, and H_{12}, the hypothesis is met with the conclusion that the independent variable standard deviation of funding has a significant negative effect on NIM and ROA, and a significant positive effect on NPL and BOPO. Furthermore, the standard deviation of loan growth has a significant negative effect on NIM and a significant positive effect on BOPO.

Keywords: uncertainty, standard deviation of assets, standard deviation of funding, standard deviation of loan growth, NIM, ROA, NPL, BOPO, rural banks, Bali