

ABSTRACT

Dyah Ayu Megasari, 2011. Thesis. Title "The Application of the Risk Management *Kredit Usaha Rakyat* (KUR) in BRI of Kediri Branch Office"

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Risk management is critical for financial institutions to anticipate risks from lending to the settlement. Therefore, if risk management is committed maximally risks that are likely to occur can be avoided. BRI Branch of Kediri Office. In the practice, applies 5C principles in analyzing the distribution of *Kredit Usaha Rakyat*(KUR). This study aims to describe 1) the risks faced by BRI in distributing KUR, 2) the application of risk management applied BRI Branch Office Kediri, 3) the method of BRI in managing the risks of KUR.

This qualitative research uses a descriptive approach. In this case the researcher describes the application of the KUR risk management by conducting observations, interviews, documentation, and then analyze the data reduction, data presentation and making conclusions.

The research results show that 1) the risks faces by BRI of Kediri Branch Office are in the forms of customers fraud, customers bankruptcy which are caused by external factors from fault. 2) in the risk management application, the largest sector in the distribution of KUR in BRI of Kediri Branch Office is in the trading sector. In the mapping, the risk of trading sector is the risk that occurs regularly because it is on a risk quadrant III. The solution is to be detained. 3) the management of BRI Branch Office of the troubled credits occur or the debtors credits as long as the debtors business still run. It is through reducing interest rate or extending time loaning. However, if the arrears still occurs, the bank will issue warning letters one to three. If over the third warning letter the debtor is not able to pay his/her obligation, the bank will auction the debtor's collateral at first before listing him/her on the blacklist.