

ABSTRACT

Kustiyorini, Dwi, 2013. THESIS. Title: “The Analysis of Credit Management on The Effectiveness of Kupedes Channeling (A Case Study on PT. Bank Rakyat Indonesia, Probolinggo Branch, Plaza Unit, in 2009-2011)”

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Bank is a financial institution that is managed based on trust. A bank's operation is carried out by collecting fund from the community and distributing the fund back to the community in a form of credit. In the credit channeling, there is a risk which often happens on a banking business that is Non performing Loan. Although Non Performing Loan is difficult to avoid, the bank must still manage it carefully and reduce the risk wherever it is possible.

This is a qualitative research with descriptive approach. It attempts to describe the credit management which includes some aspects such as the implementation of credit supply, the planning of credit, the analysis of credit, the cause and settlement of non performing loan in the Plaza Unit of BRI and the assesment of the effectiveness of credit channeling which is assessed from bank and customers perception.

The result of the research indicates that the Plaza Unit of BRI has carried out the credit management based on the regulations. According to the result of interview done with the customers of Kupedes (General Rural Credit), most customers are satisfied with the credit channeling performance including credit supply up to the credit channeling procedure. Therefore, it can be said that the performance of Kupedes channeling of the Plaza Unit of BRI is favorable or effective. Although the Kupedes channeling is considered effective, the non performing loan has occurred in 2011 which has reached 2.02 % because of external factors. They include the debtor factor due to the business deterioration and sudden personal demand/needs. In dealing with the non performing loan, Plaza Unit of BRI employs problem-solving modes such as restructuring and peaceful settlement.