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Analysis of Problematic KUR Financing Resolution Using the 3R Method at Bank Syariah Indonesia, Bengkulu S. Parman Branch Office

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Abstract

People's Business Credit (KUR) financing is a Sharia banking instrument that plays a role in enhancing access to capital for Micro, Small, and Medium Enterprises (MSMEs). In practice, KUR financing entails the risk of non-performing financing, which can impact a bank's financial health. This study aims to examine the resolution of problematic KUR financing using the 3R method (Rescheduling, Reconditioning, and Restructuring) and to analyze the effectiveness of its implementation at Bank Syariah Indonesia (BSI) KC Bengkulu S. Parman. The study employs a qualitative descriptive approach, utilizing primary data obtained through interviews with bank representatives and customers, alongside secondary data in the form of supporting documents. Data analysis was conducted through the stages of data reduction, data presentation, and conclusion drawing. The results indicate that BSI KC Bengkulu S. Parman primarily utilizes the rescheduling method to resolve financing issues, as it is considered the most suitable for the characteristics of KUR financing. Meanwhile, reconditioning and restructuring methods are applied in specific situations based on the customer's business capabilities and prospects. The implementation of the 3R method has proven effective in helping a significant number of customers maintain business continuity while improving the quality of the bank's financing portfolio, although its overall effectiveness remains influenced by business conditions, customer characteristics, and external economic factors.

Keywords: Problematic Financing People's Business Credit (KUR), Rescheduling, Restructuring And Reconditioning

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INTRODUCTION

Sharia banking plays a strategic role as an intermediary institution, mobilizing funds from the public and channeling them back through various financing products that adhere to Sharia principles. One form of financing that contributes significantly to the development of the real sector is Sharia Kredit Usaha Rakyat (KUR) or People's Business Credit. This program aims to expand access to financing for Micro, Small, and Medium Enterprises (MSMEs), thereby enabling them to increase productivity, strengthen business competitiveness, and drive national economic growth (Financial Services Authority, 2014).

Despite its vital role in supporting the economy, the distribution of KUR financing is not without risks, particularly the risk of Non-Performing Financing (NPF). Non-performing financing occurs when a customer faces difficulties in meeting their obligations in accordance with the agreed-upon contract (Madjid & Saleha, 2018).

Such conditions can stem from internal factors such as weak business management capabilities or customer character or external factors, including economic downturns, natural disasters, or market shifts. If not managed appropriately, non-performing financing can affect a bank's financial health, reduce profitability, and hinder the intermediation function of Sharia banking (Nurfaradisa et al., 2026).

As part of its risk management framework, Bank Syariah Indonesia employs various strategies to resolve non-performing financing. One such strategy is the 3R method: Rescheduling, Reconditioning, and Restructuring (Ledi Diana et al., 2024). These three methods constitute forms of financing restructuring aimed at giving customers with viable business prospects the opportunity to meet their obligations, all while upholding prudential principles and Sharia compliance. The selection of a specific method is based on an analysis of the customer's business conditions, repayment capacity, and business sustainability prospects (Fathira Rahmawati et al., 2024).

Previous studies indicate that financing restructuring via the 3R method can help reduce the level of non-performing financing. However, most research has focused on general restructuring implementation mechanisms rather than deeply examining the effectiveness of each method based on the actual circumstances of customers holding KUR Syariah (Sharia-compliant People's Business Credit) financing. Furthermore, research regarding the implementation of the 3R method at the Bank Syariah Indonesia Bengkulu S. Parman Branch remains relatively limited, necessitating a more comprehensive study based on field data (Diana L., 2023).

Given this context, this study aims to analyze the implementation of *KUR* financing resolution specifically through the Rescheduling, Reconditioning, and Restructuring (3R) methods at the Bank Syariah Indonesia Bengkulu S. Parman Branch, and to evaluate the effectiveness of these methods in resolving non-performing financing.

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According to Zubaidi and Anshori (2024), restructuring has proven effective in reducing non-performing financing because it assists customers facing repayment difficulties without immediately resorting to harsher collection measures. The study's findings are expected to contribute to the development of Sharia banking risk management literature and serve as a basis for banks to evaluate and improve the quality of their non-performing financing management.

Financing Risk Management

is a series of processes undertaken by Sharia banks to identify, measure, monitor, and control risks arising from the disbursement of financing to customers (Fitri Khairani et al., 2025). Risk management is a crucial factor in supporting operational continuity and enhancing the effectiveness of management decision-making (Annisa, A. Y. et al., 2022). The implementation of risk management aims to minimize the potential for Non-Performing Financing (NPF), maintain asset quality, and ensure the stability and operational continuity of Sharia banks. Effective risk management also assists banks in taking remedial measures such as financing restructuring via the Rescheduling, Reconditioning, and Restructuring (3R) methods when customers encounter repayment difficulties (Setiawan, A., & Sari, D., 2018).

RESEARCH METHODOLOGY

This study employs a qualitative approach with a descriptive research design, aiming to gain an in-depth understanding of the resolution of non-performing Kredit Usaha Rakyat (KUR) or People's Business Credit financing through the 3R method (Rescheduling, Reconditioning, and Restructuring) at Bank Syariah Indonesia (BSI), Bengkulu S. Parman Branch Office. A qualitative approach was selected for its ability to comprehensively describe the phenomenon based on actual conditions in the field (Sugiyono, 2019).

The research was conducted at Bank Syariah Indonesia, Bengkulu S. Parman Branch Office. This location was chosen purposively because the branch is a provider of Sharia-compliant KUR financing and possesses experience in handling non-performing financing through restructuring methods.

The research data sources consist of both primary and secondary data. Primary data were obtained through in-depth interviews with Bank Syariah Indonesia employees responsible for KUR financing, as well as with several customers who had undergone financing resolution using the 3R method. Secondary data were gathered from company documents, supporting reports, scholarly literature, journals, books, and regulations concerning non-performing financing and Sharia banking risk management.

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Data collection techniques included observation, interviews, and documentation. Observation was used to gain insight into the resolution process for non-performing financing. Interviews were conducted to explore the implementation mechanisms of the 3R method and its effectiveness from the perspectives of both the bank and the customers. Documentation involved collecting various documents related to the research subject to serve as supporting data.

Data analysis utilized the Miles and Huberman (1994) model, comprising three stages: data reduction, data display, and conclusion drawing. Data reduction involved selecting information relevant to the research objectives. Subsequently, the data were presented in a descriptive narrative for clarity, followed by the drawing of conclusions based on the results of the systematic analysis.

DISCUSSION

A. Resolution of Troubled KUR Financing via the 3R Method at Bank Syariah Indonesia (BSI), Bengkulu S. Parman Branch

Research findings indicate that the resolution of troubled KUR (People's Business Credit) financing at Bank Syariah Indonesia (BSI), Bengkulu S. Parman Branch, is carried out through the application of Rescheduling, Reconditioning, and Restructuring (3R) methods. Before determining which method to apply, the bank first identifies the causes of the financing issues through monitoring processes, on-site business visits, analysis of the customer's repayment capacity, and evaluation of business prospects. These stages represent the implementation of prudential banking principles in financing risk management (Ismail, 2018).

Based on interview results, the most frequently applied method is rescheduling specifically, the rescheduling of installment payments. This method is offered to customers experiencing a decline in repayment capacity due to business cash flow disruptions, yet who still possess good business prospects. Through rescheduling, the bank extends the financing term, thereby lightening the installment amount without altering the agreed-upon financing principal (Dicky Syafrandika, 2026).

Customers who received rescheduling facilities stated that the policy provided them with the breathing room to improve their business conditions without facing excessive pressure from installment payments. With the adjustment of the payment schedule, business operations could continue, allowing their repayment capacity to gradually improve.

In addition to rescheduling, the bank also applies reconditioning in specific situations. This method involves modifying certain financing terms to align with the customer's capacity, without violating Sharia principles. However, research results

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show that reconditioning is relatively rarely applied to KUR financing because the majority of customer issues can still be resolved through rescheduling.

Meanwhile, restructuring is applied to financing arrangements that require more comprehensive changes to the financing structure. Restructuring is undertaken after the bank conducts a thorough analysis of the customer's business capacity and prospects. Implementation involves creating a financing contract addendum to adjust the previous agreement in accordance with applicable regulations. Research findings indicate that the choice of resolution method always takes into account the customer's actual circumstances. This approach demonstrates that the resolution of non-performing financing at BSI KC Bengkulu S. Parman is not solely focused on recovering the financing but also considers the continuity of the customer's business as a financing partner.

B. Effectiveness of the 3R Method in Resolving Problematic Financing

Based on research findings, the implementation of the 3R method is considered quite effective in helping to resolve problematic KUR (People's Business Credit) financing. This effectiveness is evident in the improved ability of most customers to meet repayment obligations after receiving financing restructuring. Rescheduling proved to be the most effective method, as it allows for the adjustment of installment amounts to align with the customer's financial capacity.

Interview results indicate that the majority of customers were able to maintain business continuity after receiving payment relief. Extending the financing term provided business owners with the opportunity to improve their financial conditions, enabling their businesses to once again generate stable revenue. This situation benefits both parties: customers can continue operating their businesses, while the bank succeeds in maintaining the quality of its financing portfolio.

Table 1.1 Improvement in Installment Status Before and After Using the 3R Method

No	Name Of Business Owner	Type Of Business	Financing Constraints	Solution Method	Implementation Results
1	Tatik Purwanti	Boarding House	Decreasing Number of Tenants	Rescheduling	Installments Back to Normal
2	Utami Ningsih	Stitching	Decrease in Orders	Rescheduling	Business is running again

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3	Riswanto	Palm oil	Fruit yields are mediocre and uncertain	Rescheduling	Increased Ability to Pay
4	Sariha	Grocery Store	Decreased Income	Rescheduling	Increased Payments
5	Yanto	Goods Transport Services	Decreasing Income and Demand	Rescheduling	Financing Can Be Saved

Nevertheless, the 3R method has not been fully effective in resolving all instances of problematic financing. There remain some customers who fail to meet their payment obligations despite having undergone restructuring. This is attributable to deteriorating economic conditions, weak business management, shifting market conditions, and a lack of cooperation on the part of the customers. These factors serve as major obstacles to the success of financing restructuring.

The study results also indicate that the successful implementation of the 3R method is heavily influenced by the accuracy of the bank's analysis in assessing the customer's repayment capacity and business prospects. The more accurate the initial identification process, the greater the likelihood that restructuring will succeed in restoring the quality of the financing.

CONCLUSION

Research findings indicate that the application of the 3R method at Bank Syariah Indonesia (BSI) Bengkulu S. Parman Branch reflects the implementation of risk management functions specifically regarding the identification, measurement, monitoring, and control of financing risks. Before determining the form of restructuring, the bank conducts an analysis based on the 5C principles (character, capacity, capital, collateral, and economic conditions) to ensure that decisions are tailored to each customer's specific situation. This approach demonstrates that financing resolution aims not only to reduce the level of non-performing financing but also to sustain the customer's business, in accordance with the principles of fairness in Islamic banking (Tri Sulistiawati et al., 2023–2025).

These results align with risk management theory, which posits that restructuring is a form of financing risk control designed to minimize potential bank losses. The 3R method offers a resolution alternative that prioritizes a persuasive approach over legal action, thereby preserving the partnership between the bank and the customer (Hamdi Agustin et al., 2022).

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The findings also reveal that rescheduling is the most frequently used method compared to reconditioning and restructuring. This is because the majority of KUR (People's Business Credit) customers experience only temporary cash flow disruptions, meaning they do not yet require a comprehensive change to their financing structure. Such conditions demonstrate that targeted restructuring policies can successfully resolve non-performing financing while maintaining the quality of the bank's productive assets.

Overall, the research results indicate that the application of the 3R method at Bank Syariah Indonesia Bengkulu S. Parman Branch has been effective as part of the bank's financing risk management implementation. However, this effectiveness remains influenced by factors such as the customer's internal circumstances, economic conditions, and the bank's success in conducting continuous monitoring and guidance.

This study demonstrates that the resolution of non-performing Kredit Usaha Rakyat (KUR) or People's Business Credit financing at Bank Syariah Indonesia (Bengkulu S. Parman Branch) is carried out through the application of Rescheduling, Reconditioning, and Restructuring (3R) methods as part of the financing risk management strategy (Putri Aprilya Rahmawati et al., 2023). Before determining the form of restructuring, the bank analyzes the causes of the financing issues, the customer's repayment capacity, and the business prospects. The research findings indicate that rescheduling is the most predominantly applied method, as it is considered best suited to the characteristics of KUR financing and the circumstances of the majority of customers, who face reduced repayment capacity due to business cash flow disruptions.

The application of 3R methods has proven effective in facilitating the resolution of non-performing financing. Restructuring offers customers the opportunity to improve their financial standing and sustain business continuity, thereby enabling them to resume meeting their payment obligations to the bank. Nevertheless, the effectiveness of these methods remains influenced by various factors, such as economic conditions, business management capabilities, customer character, and the accuracy of the bank's analysis and monitoring. Consequently, enhancing the quality of financing analysis, maintaining continuous supervision, and providing guidance to customers are crucial factors in improving the success rate of resolving non-performing financing within the sharia banking sector.

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