Abstract

Analysis of the Allocation of Fund Proceeding from the Issuance of Bonds and Its Impact on BPD Jatim Financial Performances

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The purposes of this study are to analyze the allocation of fund proceeding from the bond issuance, to analyze the provision of sinking funds for the redemption of the bond, and to analyze the financial performances of BPD Jatim. The primary data was collected by interviewing with the financial analyst of PT. Trimegah Securities Tbk., and the secondary data was obtained from the company's historical data and other printed materials.

This study finds that the bond issuance fund was allocated entirely for the employees' consumption loan purpose. The provision of the sinking funds for the redemption of the bond at the maturity date is projected to be sufficient. It is found that through the bond issuance, BPD Jatim's financial performance would be better off. Based on those findings, it is suggested that the management of BPD Jatim should optimally allocate sinking funds for short term performing loans, arrange better cash supply, and run better strategy in gathering customers' funds (time deposit and saving deposit).