Analysis on the Investment Feasibility of the Establishment of the Supporting Branch Office
(Case study for Supporting Branch Office in Koto Baru - Sawahlunto/Sijunjung Regency)

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The aim of this study is to determine the investment feasibility of the establishment of the Supporting Branch Office in Koto Baru - Sawahlunto/Sijunjung Regency by analysing the economical aspect, the feasibility of the banking technical aspect, and the financial feasibility. This study uses a descriptive method through case study. The analysis on the economical aspect is carried out by analysing the data on the potential of the work area of the candidate Supporting Branch Office, the supporting facilities and infrastructures of the location of the candidate Supporting Branch Office, the competitive level of the concerned area, the potential of fund and loan, and other bank services. The analysis on the banking technical aspect is carried out by analysing the fund raising and projection, the Gross Domestic Regional Product, the Loan/Credit analysis, and the analysis on income and cost spent to establish the Supporting Branch Office. The analysis on the financial feasibility is carried out by estimating the Net Present Value, the Internal Rate of Return that is higher than the interest required, the Profitability Index or B/C Ratio that is more than one, and the Payback Period. The result of analysis on the establishment of this Supporting Branch Office shows that the NPV is of Rp 801.53 million, the IRR is of 42% (above the required interest rate, i.e. 24%), the Profitability Index or B/C ratio is of 2.88 (above 1), the Payback Period is for 26.86 months. Thus, the opening of the Supporting Branch Office in Koto Baru - Sawahlunto/Sijunjung Regency is feasible to carry out.