

Ruangkwan Yasungnoen 2010: The Effects of IAS 39 Provisions on Credit Management Efficiency of Thai Large Commercial Banks. Master of Business Administration, Major Field: Business Administration, Interdisciplinary Graduate Program. Thesis Advisor: Associate Professor Jiamjit Javakorn, M.B.A. 144 pages.

This study aims to study effects of IAS 39 Provisions on efficiency of credit management of Thai large commercial banks. The study evaluated efficiency of credit management, before, during and after IAS 39 Provisions of 4 Thai large commercial banks, namely, Bangkok Bank PCL, Krung Thai Bank PCL, Siam Commercial Bank PCL and Kasikorn Bank PCL. Collected from annual reports and data from the Bank of Thailand, secondary data during 2003 – 2008 was analyzed by financial ratios in order to evaluate the credit management. It was found from the study that, with regard to efficiency of credit management of all 4 banks before and after IAS 39 Provisions, credit quality was better, capital adequacy was higher and earnings was higher. Only Krung Thai Bank PCL had worse quality of the management. Liquidity of all 4 banks was lower. In term of capital market share, only 2 banks, namely, Siam Commercial Bank PCL and Kasikorn Bank PCL, had higher credits. The Bank with the highest efficiency of credit management was Kasikorn Bank PCL because had more efficiency of each credit management aspect than an average of all 4 banks.

The implementation of IAS 39 affects on Thai large commercial banks. Thai commercial banks will become stronger in terms of financial status and debt quality. However, such implementation had negative effect on banking business during the end of 2006 – 2008, especially obligation on higher legal reserves. This will result in lower performance of commercial banks to their adaptations to support the implementation of this new accounting standard as well as expenses related to such adaptation.

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