

## ABSTRACT

Thesis Title : Factors Determining Foreign Borrowing of Commercial  
Bank in Thailand

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In 1990, Bank of Thailand relaxed its measures of controlling foreign exchange in order to reduce the fluctuation of exchange rate and narrow the gap between domestic saving and investment. Since then, Thai commercial banks had been borrowing more foreign fund to meet the growing domestic demand for investment. The volume of foreign borrowing fund hold by commercial bank in Thailand depend on internal factors such as import value ,interest rate ,total credits and liquid of commercial bank. Moreover, external factors especially foreign interest rate also has an influence on the proper foreign borrowing fund level of commercial bank in Thailand.

The main objective of this thesis is to investigate factors determining foriegn borrowing of commercial bank in Thailand. Data for the study is the quarterly data during 1992 to 1996 from the Bank of Thailand and Thai commercial banks. Multiple linear regression was used to find the factors that significantly affected the

foreign borrowing management decision of commercial bank in Thailand.

The result of the study show that import value , net total asset and loan to deposit ratio is factors determining foreign borrowing of commercial bank in Thailand during 1990-1996 with statistic significant of 99%. Net total asset is the most effective factor and coefficient of net total asset is 2.5759. Follow by import value and loan to deposit ratio. Coefficient of import value and loan to deposit ratio are 3.2287 and 3659.0415.