

This thesis involves a study of the basis and method used by examiners of the Department of Financial Institution Supervision and Examination, the Bank of Thailand, to analyse financial reports of financial institutions (finance companies, finance and securities companies, securities companies, credit foncier companies) and the related problems and obstacles. The thesis also proposed recommendations on possible ways in which the problems may be resolved, as well as the basis and guidelines for the analysis of those financial reports.

The study utilizes a number of techniques. Observations are made of examiners on the job. The writer's own practical experience in the field also provides input for the study. A sample of examiners from all eleven existing Financial Institution Examination and Analysis Sections is interviewed. Examples of analyses made by examiners are studied.

The results of the study indicate that the formats of analysis adopted by the Financial Institutions Examination and Analysis Sections differ from one section to another, particularly where reports are prepared in addition to standard analysis reporting forms, and examiners use only horizontal and ratio analysis techniques. The study therefore proposes the use of other techniques eg., vertical analysis, fund flow analysis, and cash flow analysis; and proposes examples of additional analysis reporting forms to assist examiners in carrying out the analysis more efficiently and effectively. The study also indicates that examiners often face problems and obstacles relative to the quality of information in the financial reports resulting from delays in the submission of the reports by financial institutions, incomplete information, and incorrect presentation of information, as well as problems relative to the reporting forms which do not include all information necessary for analysis, and the periods covered by the various financial reports which do not always coincide. The study recommends that the Bank of Thailand should run courses to provide employees of financial institutions with proper understanding of the basis and methods for the preparation of financial reports, make revisions and additions to the reporting forms to include all information required for making the analysis, and change the periods of financial reports so that all reports cover the same time period.