

ABSTRACT

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FINANCIAL ANALYSIS OF GOVERNMENT HOUSING BANK

By

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The objectives of this research were to study the structure of general operation, capital sources, consumptive sources and the operational results of the whole system of the Government Housing Bank (GHB) and the A Branch of GHB. The data used in the research was the financial data from the year 1994 to 1997, collected from various documents concerning the bank management.

The results showed that the GHB was an ad hoc governmental bank under the Ministry of Finance; it was responsible for financial supporting and helping people wanting to have their own residences. It is divided into 21 sections, each of which is responsible to the bank committee, the managing committee and the managing director. The operation consists of 3 parts: loan services, deposit services and other services. Loan services have been provided to general house buyers, real estate entrepreneurs, civil servants, semi-government enterprise officers and private businesses having made an agreement with the bank. There are 6 types of deposit services: checking accounts, saving accounts, super saving accounts,

saving accounts for residence, time deposit accounts, and promissory notes. Other services include insurance cooperative services, tele-auto services, customers' selling projects, safe-renting services and ATM service.

Accounting systems of the whole system of GHB consist of the capital sources i.e. capital, deposit, loan, other liabilities; and consumptive sources i.e. cash and deposit, other bank deposit, portfolio investment, fixed assets, and other assets. Accounting systems of the A Branch of GHB consist of the capital sources i.e. capital, deposit, and other liabilities; and consumptive sources i.e. cash and deposit, other bank deposit, fixed assets, and other assets.

The capital sources of the whole system of GHB were deposits and loans coming from a deposit while consumptive sources were mainly loans. The main capital sources of the A Branch was the debts owed to the head office while the main consumptive source was the loans

The financial analysis revealed that the whole system of GHB had a good operation as it has been supported by the government. The A Branch of GHB had very good operational results as it is the bank's branch. Capital was mainly borrowed from the head office without any cost. Moreover, in the year 1997 the head office had transferred the head office debtor from other debts to other assets, resulting in a decrease in other assets and affecting financial variables directly concerned with debit and capital.

The analysis of the relation between the operational results of the whole system of GHB and the A Branch indicated a non-compatible relationship, except for the ability to make profit from the difference between interest income to total risk asset (IRA) and return on asset (ROA) ratio. The asset quality of a deposit ratio of other banks, deposit ratio and the advantage ratio from investment had a compatible relationship.

The hypothesis test to study the relation of the operational results of the whole system of GHB and the A Branch indicated no correlation except for the ability to make profit from the difference between interest income to total risk asset (IRA) and the asset quality in advantage ratio from investment which were significantly correlated.