

Ratima Khamphangmuang 2010: An Analysis of Financial Stability of Thai Commercial Banks Under New Capital Accord. Master of Accountancy, Major Field: Accounting, Department of Accounting. Thesis Advisor: Associate Professor Doosanee Songmuang, M.Acc. 258 pages.

The objective of this study are 1) analyses the financial stability of Thai commercial banks during 2005-2007 and 2) investigates the relation between deposits, capitals and the financial stability of Thai commercial banks. This study employed the data from annual reports of 14 Thai commercial banks during 2005-2007 and also interrelated studies and research. The CAMEL MODEL is used to analyses the financial stability through the financial ratios consist of capital adequacy, asset quality, management quality, earnings, and liquidity. The relationships between interested variables are showed by Pearson's Correlation Coefficient

The results indicated that the financial stability scores of large and small commercial banks are higher than average. In contrast, the results showed that medium-size commercial banks have lower than average scores. When considered by bank, this study found that there are 8 commercial banks which their financial stability scores are higher than average. These banks are Bangkok Bank, Siam Commercial Bank, Kasikorn Bank, Siam City Bank, TISCO Bank, Kiatnakin Bank, ACL Bank and StandardChartered Bank. The rest commercial banks, including Krung Thai Bank, Thai Military Bank, Bank of Ayudhya, Thanachart Bank, Bank Thai Public Company Limited and United Oversea Bank Public Company Limited have financial stability scores lower than average. The results when testing the relationship between deposits, capital and the financial stability found that deposits do not related with the overall financial stability and all 5 matters. Secondly, capitals also do not relate with the overall financial stability and all 5 matters. However, deposit and the capital have a positive relation with profit per share, which is earnings aspect of financial stability, and the ratio of liquid asset to volatile liabilities which is the liquidity aspect of financial stability, at 95% confidential level. In contrast, they have a significant inverse relation with the ratio of volatile liabilities to total assets, which is the in liquidity aspect of financial stability, at 95% confidential level.

Student's signature

Thesis Advisor's signature

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