

Thesis Title : Branch Expansion of Thai Commercial Banks
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The purpose of the study was to research the Bank of Thailand's policy of permitting branching and to find out the factors which affect commercial bank making decisions to establish branches. It appeared that branching was more competitive.

The investigation revealed that

1. The Bank of Thailand required the commercial banks to establish their new branches in the rural areas where they had none or only a few branches. This aimed to spread banking services and to engage in the development of the community.

2. The influential factors on commercial Banks making decisions to expand through branch offices included:

a) The commercial bank resources :

- administrative resources
- human resources
- managerial resources
- financial resources

b) Resolution by the board of directors of the bank

c) The Bank of Thailand's Policy

d) The Break - even analysis

Regarding the expansion potential of branching, the

commercial banks tended to issue a new branch in the area where the economic growth rate was high so that they could generate the, (1) highest - level service and most appropriate, (2) The banks could have a balance account, in a shorter period. Consequently, the return generating process for large and small banks was systematically different; the large banks obviously generated higher levels of earnings than the smaller ones.

3. The branch expansion of the commercial banks

during the past three years was likely to be out of Bangkok. They preferred to have their branches in every province,

so the convenience and needs of the community could be served.

It also showed that the commercial banks responded to the

Bank of Thailand's policy in involving themselves in

economic development of the rural areas.