

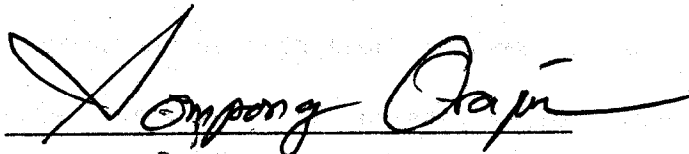
Title : The Role of Government Commercial Bank in Financial
Market: A Case Study of Krung Thai Bank Limited ,
1987 - 1991

By : MRS. Amrudee Rungsirisin

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Thesis Advisor :



(ASSOC. PROF.DR.SOMPONG ORAPIN)

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Krung Thai Bank was founded on March 14, 1966 After that it has been growing continuously. It serves as a commercial bank for the national economic growth and a state enterprise which has to meet financial demand of the government and other state enterprises. Due to more intense competition among commercial banks, Krung Thai Bank keeps on improving its capacity and efficiency in order to be recognized that it not only is a quality state-owned bank, but also it is truly the bank for the people.

During the first stage of operation, it changed its organization from regional basis to customer-group basis, in 1987, to improve its services to the public. With credit facilities, in particular, the

bank has divided them into credit for private sector, namely industrial credit , commercial credit , service business credit, agricultural and industrial credit section and construction and land development credit section, credit for government sector, namely government policy credit section available for the government organizations and state enterprises. The bank has also made improvement on branch business organization by setting up more area branch offices , to be in line with the increasing number of branches, and distribution of power to grant credit to meet the demand of the customers in the private sector. In every year, the bank also tries to update all of its operating systems.

In the course of operation, the bank annually prepares the balance sheet, profit and loss statement, etc., to find out its financial situation and outcome of its operation at any particular period. Therefore, in this thesis, by comparison of 5 Thai commercial banks with Krung Thai Bank, some of the financial statements have been analysed to determine the financial ratio.

1. The current ratio of each bank is calculated the standardized rate as 1.10, Krung Thai Bank's current ratio is 1.05 or 95.45% of the standard one

2. The acid test ratio was calculated by average standard rate as 1.07, Krung Thai Bank's quick ratio was 0.99 or 92.52% of average standard rate

3. The receivable turnover ratio loans, determined by the average of the entire system equals 0.14, Krung Thai Bank's one is 0.14

4. The average calluration price, determined by the average of the entire system is equals to 25 day, Krung Thai Bank's one is almost the the same standard.

5. Proportion of liabilities to total assets, determined by the average of the entire system as standard is equal to 92.71, Krung Thai Bank's one is equal to 95.63 and higher than the standard

6. Proportion of ability to pay interest, determined by the average of the entire system is equal to 0.16, Krung Thai Bank's one is equals lower than standard

7. Proportion of gross profit from sales , determined by the average of the entire system equals 32.21, Krung Thai Bank's one equal 24.14 and less than standard,

8. Proportion of net profit to sales, determined by the average of the entire system is equal to 9.06, Krung Thai Bank's one is equals to 3.25 and less than the standard

9. the rate of return on assets, determined by the average of the entire system is equal to 17.6 Krung Thai Bank's one is equal to 7.06 less than standard

The Comparison between Krung Thai Bank with the five Thai commercial banks shows rather significant the different . From the results, Krung Thai bank must improve the financial position in the next year.