

**Determinants of Bank Profitability During and After 1997 Asian Financial Crisis:  
Evidence from Thailand**

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**ABSTRACT**

This research paper examines the effects of bank's characteristics and macroeconomic factors on Thai commercial banks' profitability over 1997-2010 by using GMM and fixed effect-random effect estimation method. In order to identify the impact of Asian financial crisis on bank profitability, this paper also separate the period into the crisis period (1997-1999) and post-crisis period (2000-2010). The bank profitability defines by return on assets (ROA), return on equity (ROE), net interest margin (NIM) and Tobin-Q ratio (market value of a bank over total assets value). Bank specific variables (internal factors) including Equity over total assets (EA), Cost-income ratio (CI), Loan loss provision over total loans (LP), Deposits growth (DG), Bank size (SIZE), Interest income share (INS), Funding costs (FC), Bank ownership (OW) and Capital adequacy ratio (CAR). Industry-specific and macroeconomics characteristics (external factors) consider Herfindahl-Hirschman Index (HHI), Interest rate (INT) and GDP growth (GDP).