

**Bank Capital Structure in Southeast Asian Countries: Regulatory Capital Requirement and the Standard Determinants of Capital Structure**

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**ABSTRACT**

Regulatory capital requirement is claimed to be maintained by banks in order to ensure banks' stabilities, especially in financial distress and, thus, is expected to be the main determinant of banks' capital hold. This paper studies the relationship between capital adequacy ratio of listed commercial banks and banks holding from five ASEAN countries and standard variables that have been found correlated with non-financial firms' capital structures. The relationship can be explained by three views i.e. pure regulatory, buffer and market view. The relationships are found for size, growth and risk. Only from the statistical point of view, the results from ASEAN banks could be expected to support the buffer view. However, when the R-square and number of significant variables are considered, the estimated results appear to support the pure regulatory view of banks' capital structures.

Key word: banks' capital structure, ASEAN, non-financial firms, capital adequacy ratio