

**BANK EFFICIENCY IN SELECTED  
ASEAN COUNTRIES:  
DOES SIZE MATTERS?**

**LOH HAN CHUEN**

# **Bank Efficiency in Selected ASEAN Countries: Does Size Matters?**

**Loh Han Chuen**

**Bachelor of Business Administration (Hons.) in Finance  
University Tenaga Nasional  
2003**

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## **ABSTRACT**

This thesis focuses on assessing the bank efficiency and productivity in selected ASEAN countries to determine the relationship between the bank size and bank efficiency. By employing banks from 4 different developing countries in ASEAN countries, namely, Malaysia, Philippines, Thailand and Vietnam, a two-stage non-parametric technique incorporating non-discretionary variable is used in building the model. The data set obtained to fulfil this study is based on 74 banks located in the 4 different countries over the period of 2005 to 2009. Based on the input and output variables, a bank specific variable which is the bank size determined by the logarithm of the total asset and based on the 3 percentile, the banks are categorized as small, medium and large. The result shows that bank size is significant in the determining the bank efficiency and larger banks have a higher tendency to be categorized as efficient.

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## LIST OF ABBREVIATIONS

CRS:	Constant Return to Scale
DEA:	Data Envelopment Analysis
DMU:	Decision Making Unit
OLS:	Ordinary Least Square
PHP:	Philippines Peso
RM:	Ringgit Malaysia
THB:	Thai Bath
VND:	Vietnamese Dong
VRS:	Variable Return to Scale