

# **Cost Efficiency and Profit Efficiency of Thai Banks: DEA Approach**

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## **ABSTRACT**

Using Data Envelopment Analysis technique, this study aims to evaluate the relative cost and profit efficiencies of Thai commercial banks during the period of 1999-2010. The overall cost efficiency is 72.28% and profit efficiency is 21.90%. The result shows that small size banks have higher in both cost efficiency and profit efficiency throughout the period of study. The second part is using regression analysis to investigate the relationship of change in cost efficiency, change in profit efficiency and stock return. Even though there exists a positive relationship between change in profit efficiency and stock return are found, it is not statistically significant.