

UNIVERSITY OF MACAU
FACULTY OF BUSINESS ADMINISTRATION

**X-EFFICIENCY AND PERFORMANCE OF BANKS LISTED
IN THE MAINLAND CHINA AND HONG KONG**

Wu Jia Lan, Jamie

M-A6-5747-1

Thesis presented to the
Faculty of Business Administration
University of Macau
In partial fulfilment for granting the MBA Degree
In Finance

2010

Table of Contents

Chapter 1: Introduction.....	1
Chapter 2: Overview of the banking sectors in the Mainland China and Hong Kong.....	5
Chapter 3: Literature review.....	9
3.1 Theoretical framework.....	9
3.2 Review of the empirical papers.....	12
Chapter 4: Methodology and data.....	21
4.1 Methodology.....	21
4.1.1 Measurement of X-efficiency.....	21
4.1.2 Measurement of bank performance.....	25
4.1.3 Determinants of bank performance.....	27
4.2 Data.....	29
4.2.1 Inputs and outputs definition.....	31
4.2.2 Variable description.....	33
4.2.3 Descriptive statistics of the variables.....	40
Chapter 5: Empirical results.....	54
5.1 Result of regressions for all the listed banks.....	54
5.2 Result of regressions for two markets (Hong Kong and Mainland China).....	64
Chapter 6: Conclusions.....	71
References.....	76
Appendix.....	80