

Report on Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Bc. Sabina Mammadli
Advisor:	Doc. PhDr. Petr Teplý, Ph.D.
Title of the thesis:	An Application of Islamic Banking Principles in Azerbaijan

OVERALL ASSESSMENT

Contribution

Decreasing profitability of the global banking industry has resulted in change in banks' business models in the last years. Islamic banking is one of possible models. Sabina Mammadli is analysing financial performance of Islamic banks and conventional banks, contributes to the literature when analysing 2,374 banking institutions in the 2010-2016 period. Sabina has significantly upgraded her thesis, which was originally submitted in May 2018.

Methods

The author presents three hypotheses. When testing them, Sabina applies standard methods such as comparative analysis of financial statements and the GMM system developed by Arellano & Bover (1995) and Blundell & Bond (1998).

Literature

A 4-page literature review on relevant works is included in Section 2.2. Sabina compares her results with Al-Jarrah and Molyneux (2005), Olson and Zoubi (2008), Rashwan (2010), Khediri et al (2015) or Cihak and Hesse (2016), what makes her research valuable.

Manuscript form

The manuscript form fulfils standard requirements. However, there some typos such as the use of commas instead of decimal points in several figures.

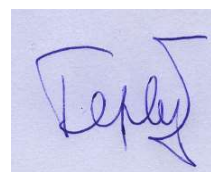
Summary and suggested questions for the discussion during the defense

Sabina has shown their ability for research work. She reviewed the existing literature, stated three research hypotheses, drew relevant conclusions and compare her results with other researchers. Questions to the defense:

- 1) Table 3.12 on p. 51 implies that a real GDP growth rate was not significant for the whole sample (Model 1) but was significant for Asian banks (Model 2) when explaining ROA. What is Sabina's explanation for that? What are key differences between the Asian and global banking?
- 2) Sabina's policy recommendation of her research for the Azerbaijani Banking System is to expand a share of Islamic banks because of their higher profitability and sustainability. What particular steps can be undertaken in this respect in Azerbaijan?

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	24
<i>Methods</i> (max. 30 points)	16
<i>Literature</i> (max. 20 points)	15
<i>Manuscript Form</i> (max. 20 points)	12
TOTAL POINTS (max. 100 points)	67
GRADE (A – B – C – D – E – F)	D



NAME OF THE REFEREE: Doc. PhDr. Petr Teplý, Ph.D.

DATE OF EVALUATION: May 15, 2019

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F