

## **Abstract**

This thesis is concerned with Czech banking sector in 2015 – 2020 and its profitability. A set of bank-specific and macroeconomic variables is tested for profitability determination effects by a general profitability model estimated with system GMM, FE, and OLS methods, yearly and quarterly data are used. The results indicate negative effects on bank profitability of the following on both yearly and quarterly bases: capitalization, operational efficiency, and inflation change, and positive effects on bank profitability of the following on both yearly and quarterly bases: bank size and GDP growth. The thesis also analyzes quarterly changes in bank assets, liabilities, and equity. The results indicate systematic drops of liabilities and assets reported as of year-ends. Potential explanations are discussed along with suggestions for further research as this study presents a complex set of insights, results, and experience ready to be augmented with further efforts.