

## **Abstract**

This thesis deals with the calculation of the customer life value for clients of second largest Czech commercial banks - Československá obchodní banka a.s.. The aim is to estimate the revenue each individual brings to the bank within the first year, two, four since creating a profile but also during the whole time he or she remains in their customer base. The first, theoretical part contains of structured overview of the modeling approach from available literature. In the second part, we develop two different models, which are subsequently applied on client data of 2.7 million ČSOB customers. The prediction takes into account both revenues from each product and probability that customer will use this product. For estimation of the two models we use several different econometric methods, thus linear regression, bootstrap, probit and multinomial logit. The results show that demographic data such as age and gender, as well as product related variables, greatly influence the final level of value of customer. It is also shown that higher potential earnings are associated with men, people of working age and loyal customers.