

## Abstract

This thesis investigates the impact of the Great Recession on cost efficiency of panel data of 4291 banks of the eurozone in the years 2003 - 2010, using the stochastic frontier approach. The main finding is that recession in Europe has a positive impact on cost efficiency; however, there was a decline already connected with the outbreak of the Great Recession in the US. Secondly, significant determinants of cost efficiency in the eurozone are total assets, total business, interest margin, and equity, however its significance changes over time. Moreover, there were significant differences found in cost efficiency among eurozone countries and among bank types and types of ownership. Thirdly, through comparison to the Czech Republic we found that monetary policy stabilizes the impact of the crisis on cost efficiency. Finally, features of most cost-efficient and least cost-efficient banks were documented. Result of the investigation is that total business is the major difference between them.