

Abstract

The present thesis analyses the performance of the European banks in 2007-2011. First, brief information on the banking sector of each EU-27 country is provided. By the means of comparative analysis, it is, further, shown that banks, coming from countries less affected by the financial crisis, outperformed (in terms of ROA and ROE) banks coming from the worst affected countries. Additionally, panel-data and OLS estimation methods are employed to investigate the importance of various CAMEL determinants for banks' profitability. Assets quality, management ability, and interest earnings turn out to be strongly significant. Moreover, we report a structural change in the relationship relative to the ownership structure (foreign vs. domestic-owned banks) and observe a structural time-break that occurred as the result of the recent financial crisis.

JEL Classification

G01, G21, G28

Keywords

BASEL III, Capital Adequacy,
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