

Report on Rigorous Thesis

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

Student:	Mgr. Tereza Fišerová
Advisor:	PhDr. Petr Teplý, PhD.
Title of the thesis:	Foreign-owned banks and host economies

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

The global crisis has highlighted importance of the nexus between sovereigns and banks. In the Eurozone, foreign ownership of banks plays an important role with the recent debates over the European Banking Union in the light of home/host supervisory issues. Tereza Fišerová has chosen an extremely interesting topic for her thesis, which deal with issues that are highly relevant in the light of the current turmoil and draws important lessons for decision makers.

The 91-page thesis is reasonably structured and consists of five main parts (Introduction, Theoretical Background of the Foreign Bank Ownership, Structural Description of Analysed Banking Sectors, Empirical Part, Conclusion). Tereza investigates 3 hypotheses and focuses primarily on foreign bank ownership in CEE (her sample has carefully selected 140 banks with sufficient database).

In introductory chapters she had demonstrated the adequate orientation in the theoretical framework. Then she applied the GMM model and fixed effects model and concludes that macroeconomic fundamentals of the host country affect the foreign-owned banks' performance but they are not enough to explain fully this relationship. Moreover, Tereza did not find any convincing evidence of the relationship between host sovereign debt and the bank ownership.

To conclude, Tereza has developed a solid academic approach, namely to review the existing literature and to identify and investigate open questions and to draw relevant conclusions from that. The topics chosen I have been following for number of years and can confirm them as highly attractive which makes her contributions valuable, in particular also to macroprudential decision makers. All in all, I recommend the thesis to be defended and demonstrate the quality by total 93 awarded points for this work. It would be quite natural for her to come up with publication and further research follow up of her thesis.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	28
<i>Contribution</i> (max. 30 points)	29
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	93

NAME OF THE REFEREE: Prof. Michal Mejstřík

DATE OF EVALUATION: 5 March 2014

Referee Signature

