

# Report on Master Thesis

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

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<b>Title of the thesis:</b>	<b>Determinants of NPLs at the aggregate level: A comparative approach for middle and high income countries</b>

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

This is a solid piece of work that fulfills the quality requirements for an excellent master thesis at our institute. Therefore, I propose the grade A (excellent).

The work looks at the key factors driving the share Non-performing loans (NPLs) across two groups of countries from Southeastern and Western Europe, with two different levels of economic development. This is the main contribution of this thesis, as the author presents an original empirical analysis based on what appears to be a unique dataset. The author has also chosen a relevant public policy topic, so the findings of this study could provide an interesting insight in the policy debate and could be a good base for further research. This is particularly relevant in relation to the ambiguous effect of FDI, inflation levels and educational measures on NPLs, which do pose some interesting questions in relation to the scope for public intervention.

The author works well with the literature and sets the methodological framework clearly. The empirical part is sound and shows good ability to work with econometric techniques. The author pre-empts potential criticism by introducing additional sensitivity checks at the end of the thesis.

The thesis could potentially benefit from clearer presentation of main results and findings. A review by a native English speaker would also be beneficial.

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Literature</i> (max. 20 points)	24
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	24
<i>Manuscript Form</i> (max. 20 points)	14
<b>TOTAL POINTS</b> (max. 100 points)	
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

**NAME OF THE REFEREE:** Goran Serdarevic

**DATE OF EVALUATION:** 15/09/2014



**Referee Signature**