

Report on Rigorous Thesis

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

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Advisor:	PhDr. Petr Teplý, Ph.D.
Title of the thesis:	Banking fee income in the Czech Republic and the EU

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

The recent trend of globalization and fierce competition push banks to adjust their operating income including banking fee and commission income. This issue was further highlighted by many legal disputes over bank fees in the Czech Republic started in 2013. As a result, Karolína Růžičková has chosen an up-to-date topic for her master thesis focused on analysis of banking fee income in the CR and the EU.

The work encompasses five main sections. After short introduction the second chapter deals with theoretical background of a banking fee. In the third chapter Karolína provides an empirical analysis on macro level in both EU and Czech bank sectors. The fourth chapter deals with two analyses on micro level: i) relation between market concentration and banking fees and ii) impact of magnitude of banking fees on bank's profitability. Finally, the fifth chapter summarizes the work.

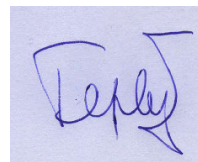
Karolína has developed a solid academic approach, reviewed the existing literature, identified and investigated open questions and drew relevant conclusions from that. Her thesis meets standard format requirements on bibliography and notes, figures, tables and pictures well illustrates discussed issues. The author has been meeting her advisor on a regular basis, cooperated with him closely and reflected his comments to the final version of the work.

She reveals that high profitability of Czech banks cannot be attributed to abnormal banking fees and commission income, but rather other factors should be considered. Moreover, she argues that banks facing higher competition tend to expand more aggressively into non-traditional activities and therefore they report higher fee income shares.

All in all, the thesis by Karolína Růžičková is written on highly attractive subject, what makes her contributions valuable. I consider this rigorous thesis as an excellent piece of academic work and therefore I recommend the thesis to be defended in the submitted form.

NAME OF THE REFEREE: Petr Teplý

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Examiner Signature