

IMESS DISSERTATION



Note: Please email the completed mark sheet to Year 2 coordinator (cc Allan Sikk a.sikk@ucl.ac.uk and Louise Wassell l.wassell@ucl.ac.uk)

Please note that IMESS students are not required to use a particular set of methods (e.g. qualitative, quantitative, or comparative) in their dissertation.

Student:	YINGYING YU
Dissertation title:	Does Banking Concentration Lead to Banking Stability in the CEE Countries

	Excellent	Satisfactory	Poor
Knowledge <i>Knowledge of problems involved, e.g. historical and social context, specialist literature on the topic. Evidence of capacity to gather information through a wide and appropriate range of reading, and to digest and process knowledge.</i>		X	
Analysis & Interpretation <i>Demonstrates a clear grasp of concepts. Application of appropriate methodology and understanding; willingness to apply an independent approach or interpretation recognition of alternative interpretations; Use of precise terminology and avoidance of ambiguity; avoidance of excessive generalisations or gross oversimplifications.</i>		X	
Structure & Argument <i>Demonstrates ability to structure work with clarity, relevance and coherence. Ability to argue a case; clear evidence of analysis and logical thought; recognition of an arguments limitation or alternative views; Ability to use other evidence to support arguments and structure appropriately.</i>		X	
Presentation & Documentation <i>Accurate and consistently presented footnotes and bibliographic references; accuracy of grammar and spelling; correct and clear presentation of charts/graphs/tables or other data. Appropriate and correct referencing throughout. Correct and contextually correct handling of quotations.</i>		X	

ECTS Mark:		UCL Mark:		Marker:	Dr. Petr Teplý, Charles University in Prague
B		66		Signed:	
<i>Deducted for late submission:</i>				Date:	10.6.2014
<i>Deducted for inadequate referencing:</i>					

MARKING GUIDELINES

A (UCL mark 70+): Note: marks of over 80 are given rarely and only for truly exceptional pieces of work.

Distinctively sophisticated and focused analysis, critical use of sources and insightful interpretation. Comprehensive understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.

B/C (UCL mark 60-69):

A high level of analysis, critical use of sources and insightful interpretation. Good understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research. 65 or over equates to a B grade.

D/E (UCL mark 50-59):

Demonstration of a critical use of sources and ability to engage in systematic inquiry. An ability to engage in sustained research work, demonstrating methodological awareness. 55 or over equates to a D grade.

F (UCL mark less than 50):

Demonstrates failure to use sources and an inadequate ability to engage in systematic inquiry. Inadequate evidence of ability to engage in sustained research work and poor understanding of appropriate research techniques.

CONTINUES OVERLEAF
**PLEASE PROVIDE SUBSTANTIVE AND
 DETAILED FEEDBACK!**

Constructive comments, explaining strengths and weaknesses (*at least 300 words*):

The presented thesis focuses on an analysis of the relationship of market concentration and banking sectors' stability in CEE countries undertaken primarily through two models: Martínez-Miera and Repullo (noted by the author as the 'MMR' model) and the Boyd and De Nicolo ('BDN') model. The analysis is done on a sample of 196 banks' financial statements in 2003—2012 period, i.e. the period under examination comprises both times of the global economic boom and the global financial crisis, what is positive. However, it would be interesting to separate the data set into two separate periods (e.g. 2003-2007 and 2008-2012) to explore the effect of the global financial upheaval.

The thesis is worked out nicely and the estimated models have a high discriminatory power. The author offers broad comparison with existing literature, well-describe methodology and justifies her choice of the correct model via standard robustness tests.

• **Strengths**

- ✓ Up-to-date topic
- ✓ Estimated models have a high discriminatory power
- ✓ Broad comparison with existing literature
- ✓ Clear research questions
- ✓ Big data set
- ✓ Broad literature review (though sometimes incomplete as mentioned below)

• **Weaknesses**

- A minor part of the literature review should have been updated (e.g. recent models on financial contagion of Nier (2007) or Gai and Kapadia (2010) or Battiston, et al. (2012) are missing, Section 4.13 The effectiveness of Regulation Theory is too short)
- Chapters do not begin a new page
- No unite format of References, that are not sorted according to alphabet
- Typos (e.g. Reference instead of References), Figure 2 covers the 2003-2012 and not the 2003-2010 as indicated by its title) etc.

All in all, the thesis is written on highly attractive subject, what makes author's contributions valuable. However, the applied methods are standard and do not go beyond requirements on an IMESS thesis with Grade A. As a result, I propose Grade B from this work.

Specific questions you would like addressing at the oral defence (*at least 3 questions*):

- 1) What is author's opinion on the "Too-Big-To-Fail" doctrine in the light of her empirical results and Part 4.22?
- 2) Slovakia is a CEE country, why was it not included to the analysis? What are key similarities and differences of banking sectors in Slovakia and Slovenia?
- 3) Table 6 (Correlation Matrix of Bank-Specific Variables) on page 59 displays that correlation between the Herfindahl-Hirschman (HHI) index and ROA is 0.036, while the HHI index and ROE 'only' 0.0139, what is surprising when considering strong correlation of ROA and ROE. What is author's explanation for that?